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Premier Flees as Thai Troops Seize Bangkok

By Agency Dispatches
BANGKOK — Disgruntled military officers and army officers had removed Prem Tinsulanonda in an apparent coup, but Gen. Prem's radio address to the nation said he was still in charge and that he had no plans to negotiate with the coup leaders.

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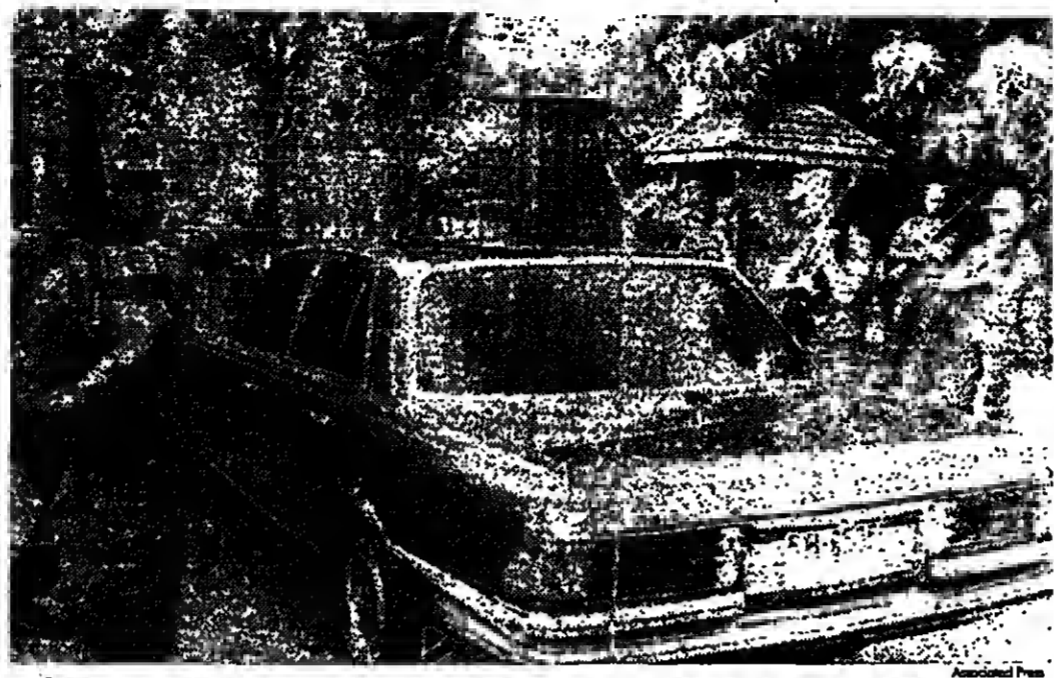
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Thai troops inspect a car outside the royal palace grounds in Bangkok after the military coup.



Prem Tinsulanonda



Gen. Sant Chitpatana

Solidarity Lifts Alert For National Strike At Stormy Meeting

United Press International
GDANSK, Poland — The Solidarity union leadership voted in a stormy meeting Wednesday to lift a nationwide strike alert, but ordered the walkout strike maintained in the northwest province of Bydgoszcz.

The vote removed the imminent possibility of a national strike that had been in effect since a Solidarity leader and three other men were beaten by police in Bydgoszcz on March 19.

The strike alert has been called off in the country, but remains in effect in the province of Bydgoszcz, a spokesman for the independent union's 41-member commission said.

It was the second time in two days that the union leadership took a major step to reinforce the calm that has prevailed since Monday night, when Solidarity leader Lech Walesa called off a general strike.

Tuesday's Vote
The National Committee voted Tuesday night to approve Mr. Walesa's decision calling off the general strike. But neither that vote nor Wednesday's decision to lift the strike alert came easily.

Mr. Walesa's leadership of the free union was criticized as it has never been since the labor group took form in the summer strikes in the Baltic shipyards. Some union members felt that Mr. Walesa had given in too easily to the government and they made their objections known in the noisy committee meetings.

An indication of the opposition came when only 22 of the committee's 41 members voted to approve calling off the strike. Six members abstained and nine failed to show up for the ratification vote.

The militants charged that the government did not guarantee as part of the Monday compromise to dismiss officials believed to be behind the police attack and that it did not push hard enough either for the recognition of a rural Solidarity union or for the release of political prisoners.

Reagan, Rebounding, Conducts State Affairs

From Agency Dispatches
WASHINGTON — A high-spirited President Reagan, out of the intensive care unit, is walking around and conducting business as usual in a suite at George Washington University Hospital, his doctor and aides said on Wednesday.

They said that the president stayed up until 11 p.m. on Tuesday with his wife, Nancy, to watch the first hour of the television Academy Awards presentation. He slept for four or five hours and began a busy morning lacking White House affairs.

"Although he is somewhat uncomfortable, the president slept quite well," said Dr. Daniel Ruge, Mr. Reagan's personal physician. "He has been out of bed and walked."

The move to the suite was made on Tuesday night, one day after the president and three other persons were wounded by a gunman to an assassination attempt outside a Washington hotel.

Executive Order
White House chief of staff James A. Baker 3d said on a television program that Mr. Reagan signed some nomination papers Tuesday evening and an unspecified executive order Wednesday morning.

When Mr. Baker and other aides finished a meeting with Mr. Reagan Wednesday morning, he was eating breakfast sitting in a chair.

"It's really business as usual," said White House counselor Edwin Meese 3d, who said the president was in good condition, but is experiencing some pain and fatigue to respond to his injury.

Dr. Ruge said that the president's vital signs remained normal. The president's breathing is painful because the bullet cracked the seventh rib and he has a 6-inch chest incision from the operation. Also, there are two tubes still draining material from his lungs through his skin. The tubes are connected to suction devices.

Even so, Mr. Reagan was requiring almost no pain medication at all, according to Dr. Dennis S. O'Leary, dean for clinical affairs at George Washington University Hospital.

Contrary to earlier impressions, Mr. Reagan was having serious difficulty breathing and was experiencing chest pain when he walked into the emergency room Monday, minutes after having been shot at the Washington Hilton Hotel. His blood pressure was low and falling, and he had been spitting up blood from the wound in his lung.

New questions about the way Alexander M. Haig Jr. is conducting himself in office. Page 2.

Evidence suggests that John W. Hinckley Jr. may have acted because of a romantic love fantasy for an actress. Page 3.

Acute Distress
"He was definitely in acute distress," Dr. William O'Neill, a surgical intern who treated Mr. Reagan in the emergency room, said. "He was uncomfortable."

The president's life was in serious danger until a team of doctors gave him fluids and blood transfusions by vein and did chest surgery to stop the bleeding. Dr. O'Neill said.

"The first thing the president mentioned to me was that he had been coughing up blood since the event," Dr. O'Neill said. "He had complained of chest pain and shortness of breath. He denied having lost consciousness."

Dr. O'Neill said that the amount of blood Mr. Reagan was spitting up was not severe. "There was blood-staining of his lips and teeth and there was blood in the back of his throat."

Emergency Room
When Dr. O'Neill examined Mr. Reagan in the emergency room, the physician said that the president's respirations were rapid, "to the high 30s," or about twice the usual rate. Mr. Reagan's pulse was recorded at 88, or slightly increased. "His blood pressure was

(Continued on Page 2, Col. 7)

U.S. Indicates Shift in Namibia Policy, Emphasizes Continued Foreign Contacts

By Bernard Gwertzman
New York Times Service
WASHINGTON — U.S. administration officials say that the United States is prepared to discuss a possible modification of the deadlocked United Nations plan for the independence of South-West Africa (Namibia) that might be acceptable to South Africa and to some key black African states.

The officials discussed this possibility Tuesday as the White House, seeking to demonstrate that foreign policy business was going on as usual, announced formally that Chester A. Crocker, assistant secretary of state-designate for African affairs, would lead a high-level mission to southern Africa this month.

The administration wants to ask the various parties to consider adoption of the "Zimbabwe formula." The future laws of the country would be worked out in negotiations before an election took place. The current UN-sponsored plan for Namibian independence calls for elections to set up a constituent assembly that would turn draft a constitution.

Underlining that President Reagan's hospitalization had not halted international contacts were these other developments:

• Vice President Bush and Secretary of State Alexander M. Haig Jr. met separately and together with Premier Andreas van Agt of the Netherlands, who had arrived Monday and had been scheduled to see Mr. Reagan Monday afternoon.

• Plans for Mr. Haig to leave Friday night for an eight-day trip to the Middle East and Europe were ahead as scheduled, and there was a possibility that Mr. Haig might add West Germany and France to his itinerary. He is to visit Egypt, Israel, Jordan, Saudi Arabia, Spain and Britain.

• The State Department announced that Foreign Minister Turgut Ozal of Turkey would meet with Mr. Haig and other officials Wednesday.



Vice President Bush (right) welcomed Premier Andreas van Agt of the Netherlands to the White House Tuesday as Secretary of State Alexander M. Haig Jr. looked on. The Dutch official was to have talked with President Reagan Monday.

states and white-dominated South Africa, it indicated.

On South Africa, the statement, referring to that government's policy of racial separation, said that "there can be no question of American support for apartheid, which is repugnant to our multiracial and democratic society."

But it said that, "we intend to make our views plainly known" to the South Africans "not in a spirit of confrontation but of constructive help."

On the deadlocked negotiations for an independent Namibia, it said, "We seek a peaceful solution of the Namibian problem leading to a genuinely independent and democratic Namibia, recognized by the international community."

homeini Calls for Widespread Purge Judiciary and Revolutionary Guard

Reuters
Tehran — Ayatollah Ruhollah Khomeini issued a call today for a purge of the judiciary and the revolutionary guards, two of the most cherished institutions.

Addressing the second anniversary, he said that the members of both groups had a part in disunity in the country.

message was read on the radio after rain had washed away the call which it was to be delivered by the ayatollah. It attacked the judiciary and the revolutionary guards, two of the most cherished institutions.

Under the 1979 constitution, judges can be dismissed by decision of the higher judicial council, composed of Islamic clerics.

The Iranian leader called for prosecution of those among the 30,000-member revolutionary guard who had "strayed away from religion and moderation and are interfering in matters that are up to the courts or other institutions, which is against the law and Islam."

"The revolution cannot accept them and will punish those who do not obey. The public prosecutor must end this dangerous trend."

Spy Charges Dropped
LONDON (UPI) — Iranian authorities have dropped charges of espionage against a British businessman, Andrew Pike, detained for eight months in a Tehran jail, the Foreign Office said Wednesday.

Mr. Pike was detained last August, along with three British missionaries, and all four were held on suspicion of spying. The charges against the missionaries were dropped and they were released in February, but Iran said at the time that charges of spying and espionage against Mr. Pike were still under inquiry.

British officials have been given permission to visit him in jail.

Other reports reaching New Delhi described attacks on Soviet and Afghan installations in Herat, a city near where the Afghan, Iranian and Soviet borders meet, were part of the celebration of the second anniversary of the Herat uprising in which Soviet civilians and soldiers were mutilated and killed by Afghan rebels.

Three of the four major highways leading out of Kabul were reported closed most of the last week because of heavy fighting. There were also reports of Soviet jet and helicopter attacks on Torgundi, a border post north of Herat where an uprising is supposed to have taken place.

There were rumors circulating in Kabul that Mr. Karmal's favorite mullah, Mohammed Amin Sadr, who is known as the Islamic religion's cheerleader for the government, was shot and killed in the center of Kabul on Friday.

Also on Friday, diplomats in the city saw an apparent army attack on a hill just east of Kabul airport.

Defection Aid Criticized
NEW DELHI (AP) — Afghanistan's ambassador to India criticized the U.S. Embassy for giving visas to four defecting Afghan En-

bassy officials who had helped their countrymen to escape their Soviet-occupied homeland.

The four officials and their families left New Delhi Tuesday for Frankfurt before flying to the United States, according to an official of the United Nations Commission for Refugees. The U.S. Embassy declined to comment.

Turkish Bank Bombed
The Associated Press
ISTANBUL — Unidentified assailants believed to be leftists hurled a bomb into a bank office to suburban Istanbul Tuesday night, police sources reported Wednesday. They said the blast at the Akbank branch in Umraniye caused no injuries but considerable damage to the building.

The Americans want to help everyone who is against Afghanistan," Afghan Ambassador Mohammad Hassan Sharq said in his criticism of U.S. diplomats.

Afghan students said the defecting diplomats secretly aided countrymen by helping them stay in India on medical and educational grounds. The defecting officials were identified as Consular official Abdul Ali Rousfi, Commercial Attache Mohammad Farouq, embassy accountant Hassan Kalifi and mission official engineer Najib Poya.

Russians Reportedly Replace Afghan Units in Kabul

By Stuart Auerbach
Washington Post Service
DELHI — The four Afghan units that had been in the capital city of Kabul moved into the countryside replaced by Soviet forces, diplomats reported here today.

Reported transfer of responsibility for guarding Kabul signified a shift in Moscow's policy for taming the fiercely independent Afghans, who keep insisting their resistance to the occupation of their nation was said.

According to an analyst in New Delhi, the shift indicates that the U.S. no longer trusts the Afghans to guard the capital under the supervision of troops.

night, taking positions in a broad perimeter that encircled the Soviet guest house where the chairman of the Soviet State Committee for Foreign Economic Relations, Andrei Gromyko, was staying.

Shift in Responsibility
The shift in responsibility for guarding Kabul was reported to have come Tuesday, when the four Afghan divisions in the city, once Afghanistans' crack units but now believed to be considered by the Russians as unreliable, began moving out of the city.

They reportedly were being sent to the provinces to fight. But military analysts believe it is unlikely they will be successful in battles with the rebels because these divisions, along with the rest of the Afghan Army, are plagued by desertions of officers and men.

Attacks Described
Other reports reaching New Delhi described attacks on Soviet and Afghan installations in Herat, a city near where the Afghan, Iranian and Soviet borders meet, were part of the celebration of the second anniversary of the Herat uprising in which Soviet civilians and soldiers were mutilated and killed by Afghan rebels.

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Hinckley's Letters Point to Motive

Philip Taubman

NEW YORK — Federal investigators have found evidence that John W. Hinckley Jr. tried to assassinate President Ronald Reagan in an effort to win the affection of Jodie Foster, an 18-year-old actress whom he appeared to be obsessed with.

The "killed the president" letter, which was found in Hinckley's Washington hotel room, according to one source, was not a threat, but a statement of intent.

"If you don't love me, kill the president," the letter said. "I will be happy to die for you."

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man at Yale, issued a statement Tuesday that said, "The FBI and the U.S. Attorney's Office have asked me to say nothing about John W. Hinckley, but I do wish to say that I have never met, spoken to or associated with him."

The unnamed letter found in Mr. Hinckley's room at the Park Central Hotel in Washington, officials said, indicated that he was in a despondent, fatalistic mood and might take some action that would result in his death.

Federal agents questioned Miss Foster Tuesday, but sources close to the investigation said.

Background investigated

Mr. Hinckley was in custody Tuesday in Virginia as FBI agents in Washington, Nashville, Tenn., Denver, Dallas, Los Angeles and Lubbock, Texas, investigated his background. Mr. Hinckley lived in or visited all those cities during the last several years, officials said.

Mr. Hinckley was moved before dawn Tuesday to a small prison cell at the Marine Correctional Facility in Quantico, Va., following the formal filing of charges against him at a midnight court session in Washington.

In his appearance before federal Magistrate Arthur L. Burnett, Mr. Hinckley was charged with attempting to kill Mr. Reagan by shooting him with a pistol, and with assaulting a Secret Service agent.

Mr. Reagan was shot in the chest Monday as he emerged from the Washington Hilton Hotel. White House press secretary James S. Brady was shot in the head, and a Secret Service agent and District of Columbia policeman were also shot.

Mr. Hinckley was overpowered at the scene and police recovered a .22 caliber pistol from him.

Magistrate Burnett ordered Mr. Hinckley held without bail. He set a bail hearing for Thursday morning.

Maximum Penalties

The judge informed Mr. Hinckley that he could face a maximum penalty on the assault charge of 10 years imprisonment and a maximum sentence of life imprisonment for attempted assassination of a president.

Mr. Hinckley was represented by two court-appointed lawyers.

him Tuesday evening. Mr. Brady played a game of catch with her — "demonstrating his ability to move in spite of his weakened condition," the medical bulletin said.

S. Korean Court Upholds Death Sentences for 3

SEOUL — The Supreme Court has approved death sentences for three persons and life imprisonment for seven for their involvement in last year's armed insurrection in Kwangju.

The court, upholding a military court ruling, also ratified the prison terms of 12 persons, ranging from 3 to 15 years, for taking part in the anti-government riots.

In rendering its verdict on Tuesday, the Supreme Court said: "A close study of the court documents showed that there were no legal mistakes in convicting the defendants."



Jodie Foster
... in "Taxi Driver" role

Edward Wilhite and Stuart F. Johnson.

When the session ended, he was driven to the Marine base at Quantico and given a sedative after an examination by a prison physician.

Psychiatric tests, which were scheduled for Tuesday, were postponed until Wednesday. The tests, officials said, would help determine whether Mr. Hinckley can stand his defense and attend the trial.

Meanwhile, Mr. Hinckley sought legal counsel at the well-known Washington firm of Williams and Connolly. Two lawyers of the firm, Vincent J. Fuller and Gregory B. Craig, talked with him Tuesday. Mr. Craig said that Mr. Hinckley had asked them to represent him.

It was not known whether Mr. Hinckley himself or a member of his family made the initial call to the law firm, which is headed by Edward Bennett Williams, a leading criminal defense attorney.

Investigators were checking Mr. Hinckley's recent movements, but little information was made public about his findings. According to officials, Mr. Hinckley appears to have arrived in Washington on Sunday by bus, possibly from Denver, where his parents live.

They said he checked into the Park Central hotel, located two blocks from the White House. Investigators searched the room Monday night, discovering the unmailed letter to Miss Foster.

The report also said that Mr. Brady was breathing well without the assistance of a respirator.

On Tuesday, White House chief of staff James A. Baker 3d told reporters that Mr. Brady's progress had been "incredible." Wednesday, on a television show, he said that the latest development "left everybody... very encouraged."

He recalled that, when Mr. Brady was brought to the hospital, doctors said: "People just normally don't recover from this kind of wound.... They said, 'We hold out very little hope.'"

The bullet caused "some minimal amount of damage" to the left side of the brain, which controls Mr. Brady's mental processes, speech and motor movement on his right side, according to Dr. O'Leary, chief of clinical affairs at the hospital.

"Fairly extensive damage" occurred on the right side of Mr. Brady's brain, but that is the non-dominant side, he said.

Secret Service agent Timothy J. McCarthy, 32, reported earlier in good condition, was said to be improving. District of Columbia policeman Thomas K. Delahanty, 45, who had been listed Tuesday in serious condition, was in good condition Wednesday. Both were wounded in the attack on the president.

Air Companies Agree on Blame In Chicago Crash

CHICAGO — McDonnell-Douglas and American Airlines have reached an out-of-court agreement on which company was to blame for the crash of an American Airlines DC-10 at Chicago's O'Hare Airport that killed 273 persons.

Congress Sets Probes On Security

Secret Service Admits Mistakes Were Made

By Richard D. Lyons

WASHINGTON — Three congressional committees and the Secret Service itself have opened investigations into the conduct of the U.S. security forces during the attempt on the life of President Reagan on Monday.

"There is no question that there was a breakdown in security and the public needs to know why," said Rep. Edward R. Roybal, Democrat of California, who will chair the opening congressional hearing on Thursday.

Rep. Roybal said that he wanted answers to such questions as:

• Why was John W. Hinckley Jr., the suspect in the assassination attempt, allowed into the area near the special hotel exit, which ironically was designed by the hotel architects to provide special security for presidents and other distinguished visitors?

• Why was Mr. Hinckley's name not entered in the Secret Service computer that contains the names of 25,000 potential assassins?

• Why was Mr. Hinckley's presence in the Washington area not known to authorities?

• Why did the Secret Service repeatedly insist that five shots had been fired, not six?

Mistakes Conceded

John W. Warner Jr., the spokesman for the Secret Service, conceded that mistakes were made by agents of the service.

"I never had such bad information in my life," Mr. Warner said. "We were getting a lot of conflicting information, such as misidentifying the make and model of the revolver used."

The weapon, known as the Roehm model RG-14, was shipped from West Germany in pieces, and assembled in Miami. It holds six cartridges. Yet as late as midnight Monday Secret Service officials were insisting that the weapon used was a nine-shot Harrington-Richardson revolver.

On another point, Mr. Hinckley's previous arrest. Mr. Warner denied the incident in Nashville, Tenn., in October as a "routine arrest."

At that time, Mr. Hinckley was arrested at the airport after three handguns and 50 rounds of ammunition were found in his suitcase. Jimmy Carter, then the president, was in Nashville making a campaign speech the same day.

Boat Forfeited

Mr. Hinckley posted a \$62 bond, but did not show up for a court appearance and forfeited his bond.

Other law enforcement sources said, however, that such information routinely should have been provided to the Secret Service, but was not, adding that the FBI had known of the Nashville arrest but had never told the Secret Service.

H. Stuart Knight, director of the Secret Service, is expected to testify to these points during a second congressional hearing also on Thursday into the operation of his agency.

The second hearing will be held by the Subcommittee on Treasury, Postal Service and General Government of the Senate Appropriations Committee.



This photograph acquired by the FBI shows John Warnock Hinckley Jr., accused in the attempted assassination of President Reagan, sitting on a fence wall in front of the White House. The picture is undated but authorities said it is believed to have been taken within the last year.

Expected Surge in Reagan Popularity Is Not Seen Aiding Economic Program

By David S. Broder

WASHINGTON — Political observers in both parties say they expect a surge in President Reagan's popularity after Monday's shooting, but most Republicans and Democrats on Capitol Hill doubt it will have much impact on prospects for his economic program in Congress.

"Sympathy is a short-term commodity on Capitol Hill," said Sen. Paul Laxalt, the Nevada Republican who is Mr. Reagan's closest friend in Congress.

"In the long term, the president is likely to be even more popular," Senate Majority Leader Howard Baker Jr. of Tennessee said Tuesday. "That's a result of his humor and the way he handles himself. But I don't think it's likely to have any legislative impact."

While pollsters and political figures around the country reported a wave of admiration for the courage and wit with which the 70-year-old Mr. Reagan responded to the assassination attempt that hospitalized him with a bullet in his chest, White House officials were formulating plans for pushing Mr. Reagan's tax and spending cuts without the president's help.

Chief White House lobbyist Max Friedersdorf said there would be no delay in consideration of the Reagan package because of his shooting, and no effort to speed up consideration to take advantage of the current wave of sympathy.

"We feel we had a lot of momentum going anyway," he said.

Personal Campaign

Noting that Mr. Reagan's supporters had expected a vigorous personal campaign by the president, beginning with speeches to at least three state legislatures this month, Sen. Laxalt said, "We have to formulate another political campaign in which we're selling a product, rather than a candidate."

While surrogates can help, he said, "there's no substitute for Reagan."

Alabama Twister Kills 2

HURTSBORO, Ala. — Two persons were killed and nine injured Wednesday by a tornado that passed through this eastern Alabama town, police said. Damage to the center part of the town was described as extensive.

Sympathy for President Puts Democrats on Defensive

By Adam Clymer

WASHINGTON — Ever since President Reagan's election, Republicans have been talking of their opportunity to build on that landslide to become the United States' dominant political party, and in recent weeks they have been finding suggestions of confirmation in public opinion polls.

Last Friday, Richard B. Wirthlin, Mr. Reagan's pollster, told leaders of the Republican National Committee that a belief that Mr. Reagan's policies would help the economy was a major element in the recent increase, shown in polls, of people calling themselves Republicans.

But Mr. Reagan's brush with an assassin Monday emphasized how slippery that foothold toward majority status really is, and how much the party's hopes rest, for now, with him. All sorts of Republicans are united behind his economic program, to be sure, but some doubt its merit and are lining up because they consider him a real leader.

Treasury Secretary Donald T. Regan said on television Tuesday that the temporary incapacitation of the president had made the Cabinet members "determined, even more, to push his program and win one for the Gipper."

But that borrowing from Mr. Reagan's Knute Rockne movie drew mostly skeptical comments on Capitol Hill.

"I can see why Secretary Regan would say that," said Rep. Barber B. Conable Jr. of New York, ranking Republican on the House Ways and Means Committee and a skeptic on the president's three-year, across-the-board tax-cut plan. "But it's not as if he had been killed and somebody else were presenting the program as a personal monument, the way Lyndon Johnson did with John Kennedy's tax and civil rights bills... I doubt very much it will have any effect."

Most Democrats took a similar view. An aide to the House leadership said, "The lobbyists who are opposing Reagan's budget cuts will tuck tail for a couple of days but they'll be right back."

House Democratic Whip Thomas J. Foley of Washington said, "The sympathy and admiration attaches to the president, but it doesn't mean that every proposal is immune from respectful criticism or comment."

As if to prove that point, the House Budget Committee session with Health and Human Services Secretary Richard S. Schweiker provided feisty questioning about a number of Mr. Reagan's budget cuts.

There's a bellu difference between killing a president and wounding him in a way that does not impair his abilities," said Rep. Morris K. Udall, Democrat of Arizona. "There's just not the emotional impact of the Kennedy killings."

Emotional Impact

Howard Marlow, the AFL-CIO lobbyist coordinating a coalition of liberal and labor groups opposed to Mr. Reagan's proposed budget cuts, said he thought that "whatever emotional impact there is will wear off in a day or two."

But others expert in the ways of Congress were less certain.

Lloyd Hackler, a former Lyndon Johnson aide now representing the American Retail Federation, said he had thought Mr. Reagan "was beginning to lose the real good momentum" behind his program last week and "was in bad shape on the tax bill. I think he's going to get it back because of this. The members will find Ronald Reagan strengthened, and even if he can't get out there himself, conveying his wishes from the sickbed will be powerful stuff."

And Rep. Tony Coelho of California, chairman of the Democratic Congressional Campaign Committee, said the wounding of Mr. Reagan means "an extension of the honeymoon by three to five months and enough pressure on Republicans to go along on the tax bill that he might win that one, too."

But there was widespread uncertainty about how lasting that effect would be, Sen. Laxalt said. "I don't think there will be any long-term impact."

Patrick H. Caddell, a Democratic pollster, said that he believed "people are relieved, and they are rallying, but it's personal, not the same thing as handling an international crisis brilliantly."

Robert M. Teeter, president of Market Opinion Research, a Detroit company that polls for Republicans, disagreed and said he doubted that it mattered what kind of a crisis Mr. Reagan mastered. "For people who didn't know what they thought, or weren't all that sure, he was pretty calm and pretty tough, and this may have done more than some outside crisis in giving people a kind of sense of him," Mr. Teeter said.

Short-Term Effect

There was little question that the short-term effect would help both Mr. Reagan and his party. An occasional Republican offered fears that Mr. Reagan's convalescence would cost his party its most effective spokesman for a time. Others said they felt that, for now, all they needed to do was to keep reminding the public that the program they support is the president's program.

Mr. Reagan's critics have an immediate problem, evidenced as the National Education Association called off a rally to protest budget cuts that it had planned to hold at the Capitol Wednesday. Charles T. Manatt, the new Democratic national chairman, was rewriting a speech he had planned to give Tuesday attacking the Reagan labor program.

Democrats in the House differed about whether the surge of favorable reaction to Mr. Reagan would last long enough to affect the chances of his legislative prospects. "He becomes untouchable and everyone is required to say nice things now, but it may pass very quickly," one said.

Rep. Charles B. Rangel of New York disagreed, arguing, "There's no way to avoid it. The sympathetic support is going to blur the real issues, the impact of the cuts, the inequities of the tax reductions."

Senate Move To Increase Budget Fails

Moderates Seek Aid For Social Programs

By Helen Dewar

WASHINGTON — An effort by moderate Republicans to restore nearly \$1 billion of President Reagan's budget cuts failed when enough Democrats voted with the president to give him one of his clearest victories yet in the congressional budget battle.

By a vote of 40-59, with 16 Democrats joining most Republicans in upholding Mr. Reagan's position, the Senate Tuesday rejected a proposal by Sen. John Chafee, Republican of Rhode Island, to restore \$973 million that Mr. Reagan proposed to cut from a variety of social programs.

Sen. Chafee picked up 10 other Republican votes, despite administration lobbying against his effort and opposition from Budget Committee Chairman Pete V. Domenici, Republican of New Mexico, as well as from Majority Leader Howard H. Baker Jr. of Tennessee. The administration's interest in defeating Sen. Chafee's proposal was underscored when Vice President Bush, who rarely presides over the Senate, took his chair for the vote.

But Sen. Chafee's cause became hopeless when the 16 Democrats, mostly from the conservative wing of the party and from Sun Belt states that would benefit least from Sen. Chafee's proposals, refused to go along with their party leaders in supporting his cause.

Repeated Efforts

During the last few days, Democrats at times even including some conservatives — have made repeated efforts to add money, often only modest amounts, for social programs that Mr. Reagan had marked for elimination or reduction in his budget-cutting drive.

Because Republicans had maintained a high degree of unity in opposing the Democratic initiatives, the breakthrough effort by the Republican moderates was viewed as the best chance for restoring money for social programs to the first phase of Senate action on Mr. Reagan's budget proposals. As such, it had the support of Minority Leader Robert C. Byrd of West Virginia and other Democratic leaders.

Most of Sen. Chafee's Republican supporters came from the Northeast and Midwest, giving the effort a regional cast, although the Chafee forces did their best to deny it, arguing that they were simply trying to soften the blow of the budget cuts among people who could least afford the cost.

"We have met the test of cutting the budget and then some," argued Sen. John C. Danforth, Republican of Missouri, in noting that the Budget Committee — and thus far the Senate — had cut deeper into the budget than even Mr. Reagan proposed.

"And now," said Sen. Danforth, "we must mitigate the impact on those individuals and regions most harmed by what we've done."

Added Sen. Lowell C. Weicker, Democrat of Connecticut: "What's at stake here is not a political party, but human lives."

Sen. Chafee had proposed additional spending of \$450 million for education, \$300 million for fuel assistance for the poor, \$50 million for weatherization programs, \$98 million for urban development grants, \$50 million for community and mental health, and \$25 million for mass transit.

Democrats in the House differed about whether the surge of favorable reaction to Mr. Reagan would last long enough to affect the chances of his legislative prospects. "He becomes untouchable and everyone is required to say nice things now, but it may pass very quickly," one said.

Rep. Charles B. Rangel of New York disagreed, arguing, "There's no way to avoid it. The sympathetic support is going to blur the real issues, the impact of the cuts, the inequities of the tax reductions."

Other lawmakers insist that tougher enforcement of existing laws is the only answer. "New York state has the toughest gun control laws," said Rep. Barber B. Conable Jr., a New York Republican, "and we have the highest crime rate."

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Poland: Slow the Pace

Solidarity and the Polish government came close to the brink again this week and stepped back. Once again the threat of a potentially catastrophic crackdown on the 10-million member union was averted. There's no way of knowing how many more times that can happen. No one wants a violent clash, but each time the tension rises more cracks appear in the structures of both the state and the union. The pressure on the Polish people must be approaching the unbearable.

In this round, there were several critical changes. For the first time since Solidarity was founded in Gdansk's Lenin Shipyard last August, violence by the government against the union became an issue. In response to the beating of workers, Solidarity threatened an open-ended general strike. And negotiations between the union and the government resulted in a broad compromise rather than almost total capitulation by the government.

Like all compromises, this one left people unsatisfied on both sides. Although Solidarity's national commission endorsed the agreement, considerable dissatisfaction was expressed with the outcome, and for the first time publicly, with union leader Lech Walesa. Two union members who were injured in the incident that set off the latest troubles said in a letter: "We did not gain anything. Walesa has made bungled decisions. We can

compromise on the supply of onions, but not when blood has been spilled." Mr. Walesa, himself, seems tired and wants to drop his leadership role as soon as things calm down. And there is an ongoing struggle in the government between hardliners who would stand fast against union demands, and those who favor additional concessions.

Meanwhile, a major underlying cause of the Polish crisis worsens. Polish officials estimate the country's external debt at \$27 billion and food supplies are shrinking. West German Foreign Minister Hans-Dietrich Genscher has suggested that in the end food shortages could be above the Poles over the edge. He is obviously right. For that reason, the West should continue to provide Poland with food aid and debt relief. For economic and political reasons, Bonn is most threatened by the Polish situation and therefore it has taken a leading role in Western rescue operations. The West German move is worth following as long as there is no military intervention in Poland.

At the same time the Polish Catholic Church has provided some advice to Solidarity that is worth following: "Put [your] demands on the installment plan." Much has been gained. But to preserve it, the pace must now slow. Victories should be consolidated and compromises should not be rejected out of hand.

INTERNATIONAL HERALD TRIBUNE

The Arsenal of Handguns

Let's not talk about gun controls. We have all done that before — and before that, and that, and that — and it never has mattered much, because "gun controls" can mean anything or nothing. The people who know this best of all are those who make money in the great American handgun market — from the big three firms of Smith & Wesson, Colt Industries and Sturm, Ruger & Co., on down to the foreign gun-parts importers, the pawnshop dealers and the street traders. They, along with the lobby organizations that would have us all believe that there's no difference between rifles and handguns, thrive on the vagueness of the phrase "gun controls."

Quick as a flick of the trigger, they can point out that here we all were in the District of Columbia, with one of the "toughest gun control laws in the country," and look what happened. That's right, because only minutes away, any deranged boob can rustle up a handgun from a roadside stand and drive it right in; or the same crazed person can buy one right here in the city, hot from any of the 50 states.

These same groups can tell you, too, that registering guns won't keep them out of the hands of killers or other criminals — and that's right, too; sure, it can help trace a stolen gun or two, but when manufacturers are dumping more than two million new handguns onto the market every year, what difference does a permit make?

This is why the chief lobbyist for one of these groups with the conveniently broad names — the Citizens Committee for the Right to Keep and Bear Arms — isn't all that

worried about congressional reaction to the latest assassination attempt on a U.S. president. John M. Snyder predicts that the expected rush of activity in Congress will be nothing more than that — and that once this flurry ends, Congress might even pass a bill sponsored by the National Rifle Association to weaken the enforcement powers of the government.

Keep all gun talk and control talk lumped together like this and, sure enough, Congress will either forget the whole subject (as it has after John Lennon, Michael Halberstam and all the other lives lost every day in handgun shootings) or pass some half-baked, ineffective measure.

Other are arguing that efforts to eliminate or reduce the supply of handguns would be neither practically nor politically effective; they suggest tougher, more comprehensive and more sophisticated law enforcement. Our own prescription is different. We agree on the law enforcement aspects, but believe that handguns — as opposed to long guns used by sportsmen or registered collections of pistols — should be taken off the open market. Effective law enforcement should substitute for the mass arming of everyone in attempts at self-defense.

True, just as all the narcotics laws in the world haven't stopped drug traffic, there is no way to stop handgun killings or assassinations of national leaders. But right now — once again — it is a question of focusing serious attention on the subject. And if this week's events do not do it, you have to ask yourself, what in God's name will.

THE WASHINGTON POST

International Opinion

The Attack on Reagan

Political attacks flow through the American history of our century like a dark trace of blood. The shots in Dallas are only the macabre echo of that famous "shot heard round the world" with which the American Revolution began 200 years ago.

What distinguishes the perpetrators of violence in the United States from those in other regions, from terrorists and kidnappers and all those who cause street fights and break display windows, is the lack of any political or ideological motive. The association with guns is for Americans an almost intimate, bodily function. More than that: The possession of weapons is seen as a given right and any attempt to restrict the access to guns churns up deep-seated emotions. For many Americans, disarming equals emasculation.

— Frankfurter Allgemeine Zeitung.

Fortunately, as events on Monday showed, the political and constitutional machinery of the United States is sufficiently well organized to ride such a crisis and provide the continuity of government which the country and the Atlantic alliance need.

— From the Times (London).

As sometimes happens, something good comes out of the bad. It seems clear that the prestige of Ronald Reagan will grow from this ordeal.

— From l'Aurore (Paris).

In the International Edition

Seventy-Five Years Ago

April 2, 1906

NEW YORK — Few questions before Congress are so much discussed as the Hepburn bill providing for the establishment by the Interstate Commerce Commission on railway rates. The Chicago Tribune observes: "The railroads would like to amend the bill so that whenever the commission fixes a rate the railway affected may go into court and have the rate suspended while legal proceedings are pending. If that were permitted, the roads, employing their customary dilatory tactics, could make rate regulation of little value." The Memphis Commercial Appeal comments: "The experience of European countries supplies plausible arguments against government regulation of railway rates."

Fifty Years Ago

April 2, 1931

PARIS — Today's editorial in the Herald reads: "For advocates of the Nicaraguan canal project the great earthquake that has ruined the region around Managua could not have been more timely. The engineers who have been verifying and amending previous surveys of the line may be obliged, if the project is persisted in, to make fresh calculations to conform to the geological changes that the seismic disturbance has probably caused. It may be said that the isthmus of Panama itself is within the earthquake zone. But the Panama Canal cost a great many millions, a vast investment of toil and money. If disrupted by earthquake, it might be repaired at the expense of a few other millions."



"You Should Buy a Couple to Protect Yourself
Against These Other Satisfied Customers."

Making of a Legend

By David S. Broder

WASHINGTON — The honeymoon has ended and a new legend has been born.

The gunfire that shattered the stillness of a rainy Washington Monday afternoon broke, not just four bodies, but the mood of euphoria that has buoyed this capital since the inauguration of a new president and the return of the hostages from Iran.

But it also created a new hero in Ronald Reagan, the chipper "Gipper" who took a .22-caliber slug in his chest but walked into the emergency room on his own power and joked with the anxious doctors on his way into surgery.

This being Washington, the politicians no sooner learned that the president was out of danger than they started sorting out the political implications of the day's drama.

That is a process that will take some time, but one fact is so obvious it cannot be missed even in a capital that sometimes understands everything but the most important thing. What happened to Mr. Reagan on Monday is the stuff of which legends are made.

Heroic Tales

From primitive days, heroic tales have been fashioned from incidents in which brave men escape danger. That tradition has been carried intact into the presidency — from Andrew Jackson, the hero of New Orleans, to Theodore Roosevelt, the hero of San Juan Hill, and John Kennedy on PT-109.

In these and other cases, the survival of the hero in conditions of imminent danger is taken as a sign of divine favor — a token that he has been saved for a reason. So much more so when the threat strikes at the president in office, from a seemingly deranged assassin, and he survives what the entire television-watching world sees could easily have been a calamity.

Ten weeks earlier, Mr. Reagan struck an unusual theme in his inaugural Address, when he turned from a recital of the nation's problems to say, "We have every right to dream heroic dreams. Those who say we're in a time when there are no heroes, they just don't know where to look."

In his first weeks in office, Mr. Reagan demonstrated repeatedly a kind of personal ease and charm which not only delighted his audiences but disarmed his critics. He was the first to kid his own supposed shortcomings — his age, his hearing, his eyesight, even his grasp of issues — in a way untiring by any sympathy-seeking self-pity.

Wit and Grace

When he displayed that same wit and grace in the hours after his own life was threatened, he elevated those appealing human qualities to the level of legend. As long as people remember the hospitalized president joshing his doctors and nurses — and they will remember — no critic will be able to portray Mr. Reagan as a cruel or callous or heartless man.

Criticism of his policies will be — probably forever — separated

from criticism of the man. Mr. Reagan now enjoys an aura of goodwill and a presumption of good motive which no president since war hero Dwight D. Eisenhower has had as a shield in the political arena.

Tragically, that arena is now a far bloodier place than it was in the innocent Eisenhower era. The fragility of the U.S. governmental structure to the assassin's bullet has been demonstrated again.

Last Saturday night, at the Gridiron dinner, where Washington correspondents entertain the politicians with satirical songs and skits, Mr. Reagan and his press secretary, Jim Brady, laughed uproariously when a Tip O'Neill character, dressed inconspicuously as a bulky bride, sang, "Honey-moon, it could last until June."

It lasted less than 48 hours more. Then Mr. Reagan was on his way to the hospital and Mr. Brady was lying on the sidewalk in his own blood, a bullet in his brain. The scene that was so strong in January, when the hostages came home and the new administration took office, that perhaps the frustrations and agonies of the 1960s and 1970s had been put behind us — that dream was over.

Then one noon, the Tip O'Neill character sang, "I will pop the balloon. And I'll reveal that Tip O'Neill calls the Capitol tune." But in reality, the balloon was popped by the all-too-remembered sound of gunfire, and a demented individual came within inches of erasing the voters' mandate.

This society, which stubbornly resists even the most modest effort to discipline its own appetite for handguns, had once again paid the price for its folly. A sick man, arrested once before in threat-to-the-president circumstances, had procured a new weapon with ridiculous ease — and this time had struck.

Letters

The Saudi Planes

I must seriously question William Safire's journalistic credibility and fairness in his unjust and unwarranted criticism of President Reagan's decision to sell Saudi Arabia the additional equipment for their F-15 fighter planes (HIT, March 15).

Mr. Safire bases his criticism on the enormous assumption that the planes will be used as offensive weapons against Israel. There is no justification, nor any evidence to support this assumption.

Let the records of the two countries speak for themselves. Saudi Arabia has an unblemished record of nonaggression. Its military has never fired a shot in anger outside its borders.

Israel, on the other hand, regularly invades the sovereign territory of Lebanon with U.S.-built fighters, including F-15s to launch missiles and drop bombs. This outrage is overlooked by Mr. Safire.

That Israel has a right to defend itself is undeniable. And to do that effectively, it must have offensive weapons. However, no less an argument can be made for another proven friend, Saudi Arabia.

W. W. HATCHER,
Dhahran, Saudi Arabia.

Against Lefever

Ernest W. Lefever's criticism of human rights legislation is frivolous and much more than that ("The Case Against Lefever," HIT, March 7-8). Whoever excuses the systematic use of torture and political murder is accessory to the most cruel crimes one can imagine.

I have a chilling thought that mocks the merry mood of the Gridiron dinner. A year ago, we lost Sen. Edward M. Kennedy, the Democrat from Massachusetts, as our scheduled speaker because his friend — and mine — Allan Lowenstein had just been shot to death. This year's Gridiron is indelibly linked with the last glimpse of the lovely, loving man we knew as Jim Brady in his customary rollicking good humor.

Next year — God knows what awaits us.

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The Ideology of Depression

By C.L. Sulzberger

PARIS — There is certainly no clear-cut dividing line between the definition of the words "recession" and "depression." Perhaps the sole loosely accepted difference in interpreting the word is that during a recession people don't sell apples at street corners, drive out of skyscraper windows, sleep 500 to a room in state-supported flop houses and swarm the streets with multitudes of beggars.

The value of money is generally far less lower vis-a-vis preceding monetary values in a recession than in a depression. The purchasing power of money may be worth less in a recession than during what is termed a normal period, but it isn't carried around in pots to sacks or wheelbarrows because it has virtually no value at all, and it takes a huge amount to buy a little object.

It is noteworthy that several countries which today would be experiencing thorough depressions already did so during the late 1920s and the 1930s and learned much from their sad experience.

They learned of the need to insure that as many people as possible could be employed despite a falling labor market, provided inflation could be held in check. They learned about the need for social insurance, job insurance, health insurance, high levels of free schooling, even following great disasters like earthquakes. It is only pragmatic new Deng regime who recognizes that the Chinese people will gain more happiness health by mixing and accepting help from other nations.

It is curious that there are clear-cut dividing lines between the ideology of the rich and poor in their economic effort, course, lands with small portions and enormous natural resources like Kuwait, Saudi Arabia, and Libya statistically statistical positions of wealth which are not always shared, factually among all people.

There are striking differences between practices of countries claiming to be ideologically similar. There is very little land cultivation in Yugoslavia and land. There is a considerable grey of private business in Hungary.

In Social Democratic West Germany, although things are a shakier now, there are infinite better labor-capital relations existed for years in Britain who was run by postwar Labor government representing primarily trade union interests.

Politically speaking, it is feeling that national administration tends to buy needless tools for itself when it buys its economy, agriculture, trade and of economic fundamentals to intellectually conceived concepts or bogged down long since outdated Pragmatic transients dogmatism.

The ideology of true depression where it strikes usually lacks imagination and unwillingness to experiment with flexibility as Franklin D. Roosevelt practiced successfully in the United States when made democracy safe for world.

Take Greece and Bulgaria, for example, or West Germany, Czechoslovakia, or either Mali and Thailand compared to man's impoverished empire.

Likewise, China's great natural pride caused it during the 1940s to decline any foreign aid, even following great disasters like earthquakes. It is only pragmatic new Deng regime who recognizes that the Chinese people will gain more happiness health by mixing and accepting help from other nations.

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Handling of U.S. Reportedly Set to Halt Managua Aid

United Press International

WASHINGTON — The United States has decided to halt all financial aid to the leftist Sandinista government of Nicaragua because it is not going to let the United States in on the details of its aid program, officials said today.

The administration has been under heavy pressure from Sen. Jesse Helms, the South Carolina Republican who is chairman of the Senate's Western Hemisphere subcommittee, to determine if the Nicaraguan government was cooperating so closely with Cuban subversion in Central America that it was becoming an extension of the Cuban operation.

The report by the State Department to Congress says the Nicaraguan government, under terms of the law, is no longer eligible to receive U.S. aid because it is "harboring international terrorism and abetting violence in another country."

The decision is expected to have a wide political impact on the rest of Central America and will be a blow to moderate elements in the Nicaraguan government, who have been trying to resist the drift to the left.

Secretary of State Alexander M. Haig Jr. said on March 3 that the arms flow from Nicaragua had lessened sharply in response to U.S. pressure, but he subsequently said that the Managua government was looking for other less visible ways to continue it.

Fire Put Out in Las Vegas Strip

The Associated Press

VEGAS — A fire broke out in the fifth and sixth floors of the Flamingo Las Vegas hotel on the Las Vegas Strip Wednesday, but it was quickly put out by the hotel's fire department in less than five minutes.

Firemen reportedly saw no other guests were injured. The fire was extinguished in less than an hour.

Kid Bagnold, 91, Dies; Wrote 'National Velvet'

United Press International

DON — Enid Bagnold, 91, 1935 novel "National Velvet" which starred Taylor's first role, died today.

Bagnold was the daughter of a famous actress, and her novel "National Velvet" (1935) was about a girl who, disguised as a boy, wins the Grand National horse race.

It became an international best-seller. It inspired the 1944 film "National Velvet" starring Elizabeth Taylor.

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The London Stage: Revival of Orton's 'Sloane' Is Campy

By Sheridan Morley

International Herald Tribune

LONDON — Terence Rattigan, not the likeliest of champions, called it the best first play he had seen in 30 years of theatergoing: the Daily Telegraph reckoned it "shameless and repulsive in the extreme," and the author himself, writing to Plays and Players as "Mrs. Edna Wetherby" in a determined attempt to drum up trade by controversy, hoped that "ordinary decent people will shortly strike back" against this "endless parade of mental and physical perversion." The author was of course Joe Orton, the play "Entertaining Mr. Sloane" and the year 1964.

"Sloane" and Orton divided the critics along predictable lines, but a more interesting and prophetic division of opinion came from two enthusiasts, Rattigan and his first-night guest, Vivien Leigh; he saw it as a modern restoration comedy, she as a camp and jokey little number of no great significance. The present revival at the Lyric Theatre Hammersmith is directed by Orton's friend the actor Kenneth Williams, who, it appears, is inclined to side with the late Miss Leigh.

Thus we have a camp and jokey little production starring Barbara Windsor, Williams' longtime co-star in an eternity of "Carry On" films, but totally bereft of the depth or resonance I recall from the original production or earlier revivals. "Sloane" lives in my memory as a very funny, very black and very sinister play about a brother and sister fighting over the living body of a lodger and the dead body of a father. Like a seaside postcard that explodes in your face, "Sloane" is mind with laughter and cruelty. But exchanges such as "Did you kick him?" "Sometimes, he understands," cannot be made to work in an atmosphere of mindless knockabout farce; nor is it possible to feel the shiver of terror that the godfatherlike Ed ought to inspire if he is played, as here by Dave King, like a minor and failed hoodlum. The result is no terror, no menace, no threat; instead a coy scamper through a once sinister classic which has somehow been disconnected. Homosexual closet capers have become a camp carry-on and in the process a great deal has been lost.

It is perhaps possible to argue that 17 years after the arrival of Orton and "Sloane," when druids can be found carrying on at the National, we are no longer so shocked. But the point about "Sloane" was not its shock value alone; it was a reversion of ice-cold laughter, and that is what Williams has missed amid the giggles.

That "Richard II" should have departed so rapidly from the repertoire of the Young Vic, where it lasted less than a month, is more than a little sad.

Robin Lefevre's production, though patchy, had an intriguing central notion, which was that the play could be set in 1917, with Bolingbroke as the Leninist revolutionary taking over a tottering czarist regime. This notion holds up better than most other attempts at Shakespearean modernization, and Lefevre was lucky to gather a remarkably distinguished company of verse-speakers, led by Robert Eddison as a wonderfully melodious Gaunt and Clifford Rose as an unusually subtle Duke of York. It was also good to see Judy Campbell in her Shakespearean debut as his duchess and Barry Evans as their son, giving unusual strength to the latter half of the play. Nicholas Grace in the title role also had some strong moments, and within the narrow confines of the Vic's stage and budget this was a chamber thriller about kingship.

There has recently been considerable press comment on the possible Sunday opening of West End theaters. What I would like to consider here and now is the closing of West End theaters. At the beginning of this week, the Cambridge, Fortune, Garrick, Her Majesty's, New London, Old Vic, Phoenix, Royal, St. George's, Savoy, Shaw and Whitehall were all dark. It will immediately be corrected by certain managers that their premises have shown either about to open or newly departed, but I can recall no single month in 17 years as a drama critic when more than a dozen mainstream London playhouses were simultaneously shuttered.

On a minor and practical point, if this is to continue it might make sense to leave the posters of closed shows up outside (as is done in New York); though this momentarily confuses those trying to book seats through looked doors, it does at least avoid the barren and desolate outside appearance of a once-great theater like Her Majesty's, which now looks about ready for the squatters.

On a major and still more practical point, the sooner the Society of West End Managers, Equity, the backstage unions and the Greater London Council licensing committees stop generally messing about and start providing a sensible theater service when it is wanted (Sunday afternoons and evenings for a start) the more the West End is likely to avoid a total shutdown. The point of a closed theater booth and the possibility of weekend playing is not that at last they are with us, but that if they had been with us 10 years ago when they should have been, we would not now have 25 percent of London's theaters closed.

Instead of attempting to set himself up as a latter-day Lord Chamberlain, it would be more useful if Sir Horace Cutler and the Greater London Council could turn their attention to the kind of environmental improvement that even a bankrupt New York City managed to give Broadway.

Authors

Louisiana Story — in Three Volumes

By Dianne Cameron

International Herald Tribune

PARIS — The biographer with 25 years behind him as an international correspondent hardly expected to fall in love. Yet six years ago he temporarily abandoned job and country for a Louisiana belle who died in 1878.

Until November 1979, Maurice Denzire was a writer for the French daily Le Monde. The siren who lured him from France was the twice-widowed Virginia de Parlanges, whose imposing portrait Denzire fell in love with on a visit to an elegant 1732 plantation in Louisiana.

He was enthralled by an 83-year-old woman's tale of the life and times of Virginia, a beautiful orphan who in 1831 married into an aristocratic family and reigned over a vast plantation. Through Virginia, Denzire developed a passion for Louisiana, past and present. A Le Monde article led to a scrupulously documented study of life in Louisiana from 1830 to 1930, in which he fictionalized Virginia de Parlanges.

In those six years, Denzire has produced a heavy trilogy that is an ode to the Southern way of life. "Louisiana," "Fausse-Riviere," and, most recently, "Bagatelle." The first book — "Virginia" figures in all three — sold more than a million copies in 18 languages, and "Bagatelle" tops Paris-Match's best-seller list in France.

Affinity for British Authors

Denzire was born in 1926 in Saint-Etienne, and studied literature. He said he especially appreciated British authors such as George Meredith, Laurence Sterne and Oliver Goldsmith. Denzire said he feels an affinity for their "precision, not only in storytelling, but in their analyses of the feelings and psychology of human beings."

The enormous success of "Louisiana" probably came at the right time, he said. "I was beginning to tire of the travel and the deadlines." He had been trying to lead the dual existence of reporter and book writer since 1959, but it was not until his encounter with Louisiana that the author outdistanced the reporter.

What fascinated Denzire was "the synthesis of American energy and openness with the elegance and savoir faire of the old European civilization." His editor allowed him a sabbatical leave, which he spent in Louisiana delving through archives. After the success of "Louisiana," he and his wife returned to Baton Rouge, where he did much of his research. The second volume appeared a year later.

Denzire describes himself as a romantic who is "nostalgic about that aristocratic civilization where good manners, hospitality and honor are important."

Clarence Dandridge, the protagonist of "Louisiana" and "Fausse-Riviere," is a fairytale observer of Southern society. He is neither a proponent of slavery nor does he bite the hand that feeds him. Denzire realized after creating Dandridge (fictional, unlike Virginia) that he had imbued him with the "humanistic philosophy of a Freemason, full of religious and mystical uncertainties."

The ambitious Virginia typifies Southern womanhood for Denzire. Women shouldered great responsibilities: the household, the plantation, the health of the slaves, often the bookkeeping. Virginia became the spirit of Bagatelle, as if she had been its founder. Denzire said he recognized similar traits in some modern Southern women.

The second volume, "Fausse-Riviere," deals with a period that both "Northerners, ashamed, and Southerners, embarrassed," would rather forget: the Reconstruction. Nonetheless, Denzire believes that the Northerners who brought industry and financial know-how to the South enriched the region.

After completing the second book, Denzire felt that an important story remained to be told: that of the relationship between France and its former colony. Louisianians volunteered and died to defend France in 1914; Denzire regrets that the French "have a short memory." In "Bagatelle" he tries to awaken that memory, as well as to tell of Storyville and the birth of jazz.

Though he still lives in Paris, Denzire confessed to fancying an image of himself in a wicker chair, mint julep in hand. "I'm basically lazy," he said. His current interpretation of doing nothing is collaborating on a daily "Louisiana" radio serial and helping pro-

Movies: Sylvia Kristel: Next 'Lady Chatterley'

By Vicky Elliott

International Herald Tribune

LONDON — On screen, no matter what delicate situation she finds herself in, she looks as though butter wouldn't melt in her mouth. In person, Sylvia Kristel wastes no time letting you know that she has not only a body but a mind of her own.

In the first of the "Emmanuelle" series, which she made with director Just Jaeckin in 1973, she sent pulses racing from Tuscaloosa to Tokyo. The feminists (and critics) slammed it as soft-focus porn, but as Kristel herself puts it today, "It wasn't just a coincidence — 350 million people couldn't be wrong."

Seven years later, the film is firmly established as an erotic classic. Meanwhile, Kristel has swanned her way through a couple more "Emmanuelle's" ("There were 46 versions, but I was only in three of them, so be careful"), a few unmemorable movies, countless commercials and a move to Los Angeles.

Today, she unfurls with the fury of a puma at interviewers who label her with the obvious catch phrases and ask her when she is going to get down to serious acting. But to her large public Kristel is still the Alice in Wonderland who discovers sex in Bangkok.

Kristel fell out with her Swedish, Jaeckin, and they spent six years slanging each other in the press. Reconciled, they are now blissfully working on what might seem like a recipe for instant, dehydrated box-office success — just add D.H. Lawrence — a film version of "Lady Chatterley's Lover."

Luscious Location

It all sounds like putting the right names with the right salaciousness. Other assets include a luscious English location, a version of the book personally accredited by Lawrence's wife Frieda and the best of British film expertise. Kristel considers this a chance for herself and to prove themselves — and to get their own back on the critics. As a result, she has been taking the whole operation pretty seriously — getting up at 5.30 a.m. every day for 10 weeks of shooting.

"We've marched to Russia 14 times and back," Kristel said in London last weekend, trying to breathe again after 12 hours of inhaling burning rubber fumes from the day before — for a mime scene in which Lady Chatterley tells her playmate and gamekeeper (played by a newcomer, Nicholas Clay) that she is leaving her aristocratic husband (Stuart Wilson).

"It was an English story," she said, "and unfortunately, we had to contend with the English weather." There were days when Kristel had to fend off the hail with a blanket between takes, when the lippish bad frozen solid, when a



Sylvia Kristel

nightmare scene demanded that she pad across a frozen lawn in bare feet. "I discovered the solution," she giggled, pulling those icy, classical features into a grimace out of Dennis the Menace, "a furry hot water bottle. But that was in Week 6."

The Earl of Stafford, who provided his stately home in Barnet for the shooting, has several decapitated ancestors and a number of Velazquez works papering his drawing room. "I really believe that they are all fakes," says Kristel. The watery English light, as far as one can judge from stills taken on the set, makes each frame look like a Constable painting.

"Just like a French painter," says Kristel's manager and babysitter, Elaine Rich, who keeps constant watch over her highly strung charge in her suite at the St. James Club, the new London home for celebrities.

Unconvincingly, Kristel keeps referring to herself as a "romantic fool." She is after all Dutch — as she loves to point out herself — and she has the acid candor of many women, the wicked delight in provoking the stuffy. Perhaps it started in the convent where, she said, she read "Lady Chatterley" "because it was out of the forbidden books."

She doesn't believe in mixing politics with acting and she harbors a healthy suspicion of jogging and her Los Angeles neighbors' "sunbaked brains."

But she loves to share elbow room with the stars. Doing an elegant stretch in the pool of her historic Los Angeles apartment, she relishes the thought of Bette Davis watching with hawklike vigilance

from the fourth floor — if she's not keeping an eye on her parking space.

Equally healthy, as she is the first to admit, is her ego. She tells the story of the time when she walked out on Helmut Newton as he was shooting her two inches underwater for the "Emmanuelle III" poster. "My eyes turned bloodshot with the chlorine — and he just screamed at me to get some eye-drops. Then a lampost nearly toppled into the water — it would have meant instant electrocution. That was the end." A large crowd had gathered, but she overcame her convent prudishness and stalked out of the water in a buff — and not much else.

Kristel missed out on acting school. "I specialized," she says, "in answering telephones in the foundry industry." After a stream of odd jobs in her native Utrecht, she fled to Paris at the age of 21, took up modeling, was elected "Miss TV Europe" in 1972 and found herself in films. It can be a handicap today: "If I shout at me, 'Be camera conscious!' I can't cheat by looking at the guy's left ear, even though I'm blind as a bat."

Energy and Wit

But the energy and the wit are there. Kristel has been compared to Carole Lombard; Rex Harrison proposed to her in Vienna, she says, because she reminded him of Kay Kendall. The Hollywood photographer George Hurrell, who was duster off by Rich's husband Allen and brought back into the limelight, compares her wide-eyed lucidity to Garbo.

"The camera's in love with me," declared Kristel. "I had a desire in a former life to be a phenomenon," she admitted. She admires the way Robert De Niro sinks his teeth into a part, like a terrier with a bone, but she couldn't do it herself, she said.

Kristel has almost evangelical hopes for "Lady Chatterley," which she sees as part of a new romantic trend. "It's about the growth of a woman, a woman who wants to be loved, not to be a doll," she said. "This is a time of such confusion that people need uplifting. And the film should contribute to cheering people up, to assure them they're not hanging out there alone."

She doesn't take long to come down to earth again. "And now," she said with a grin, "I'll be having my afternoon coma."

Record Price for Karajan

The Associated Press

LONDON — Top seats will cost a record £25 (\$56) at London's Royal Festival Hall on May 27 when Herbert von Karajan brings his Berlin Philharmonic Orchestra here for a single concert. They will perform just one work, Bruckner's Symphony No. 5.

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ria May Delay 'Fighter Purchase'

Reuters

NA — Austria will probably for economic reasons the 24 jet fighters worth \$500 million, Chancellor Kreisky said.

Kreisky said after a Cabinet Tuesday night that major decisions were needed in all including projects such as the purchase and the construction of a large conference center.

FBI Agent Says Senator Vowed To Use Influence

United Press International

NEW YORK — Sen. Harrison Williams, D-N.J., vowed to use his influence with Jimmy Carter, then the president, to obtain government contracts for a titanium mine in which he was to be a partner, an FBI agent says.

FBI agent John McCarthy testified on Tuesday, the second day of the so-called Abcam trial of the New Jersey Democrat. The 22-year-old senator is the seventh and last member of Congress to be prosecuted in the Abcam probe. The other six defendants, all members of the House of Representatives, were convicted.

Mr. McCarthy said that he posed as a representative of Abdul Enterprises, a phony company set up by the FBI. He said that in 1979 Sen. Williams urged him to finance a titanium mine in which the senator was to hold a secret 18-percent interest.

Prosecutor Edward McDonald said that the 61-year-old senator "with great pleasure promised to talk to the president of the United States about [the mine] in a personal way." In addition to charges of bribery and conspiracy, Sen. Williams is accused of promising to help a phony sheik emigrate to the United States.

In his opening statement, the senator's attorney, George Koenig, said that the defense might introduce more than 100 government tapes. "The best evidence you will hear will be the very tapes" made by the government, he said.



Maurice Denzire: Yes, there is a Virginia.

NYSE Nationwide Trading Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

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(Continued on Page 20)

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Shipping: A Chill Wind Blows in the North

By Barry Dale

HAMBURG — Considering its relatively short coastline, West Germany has a strong seafaring tradition and a good international reputation as a shipping and shipbuilding nation.

But for some years a chill wind has been blowing round Germany's northern ports and shipyards. Last year saw the disappearance of a major, traditional shipping line, Bremen-based DDG-Hansa, because of insolvency. Some of its activities have been taken over by other German shipping lines, but some have had to be dropped.

The Association of German Shipowners, VDR, said West German liner services had mixed fortunes in 1980, ranging from satisfactory to extremely worrying.

Tramp shipping and dry bulk goods, for instance, fared reasonably well, with profitability levels aided by economic improvements during previous years. But in these two sectors, the VDR notes, the trend toward re-registering ships under flags of convenience has continued, with more than half the tonnage operating in these sectors switched to a non-German flag by the end of 1980.

The main reason for the change is production costs in West Germany, where wage and social welfare costs have reached a level that makes profitable operation under the German flag impossible.

Not only must ships be taken to halt or reverse this trend, but West Germany must make sure its shipowners do not pull out and go into exile in other countries where costs are lower.

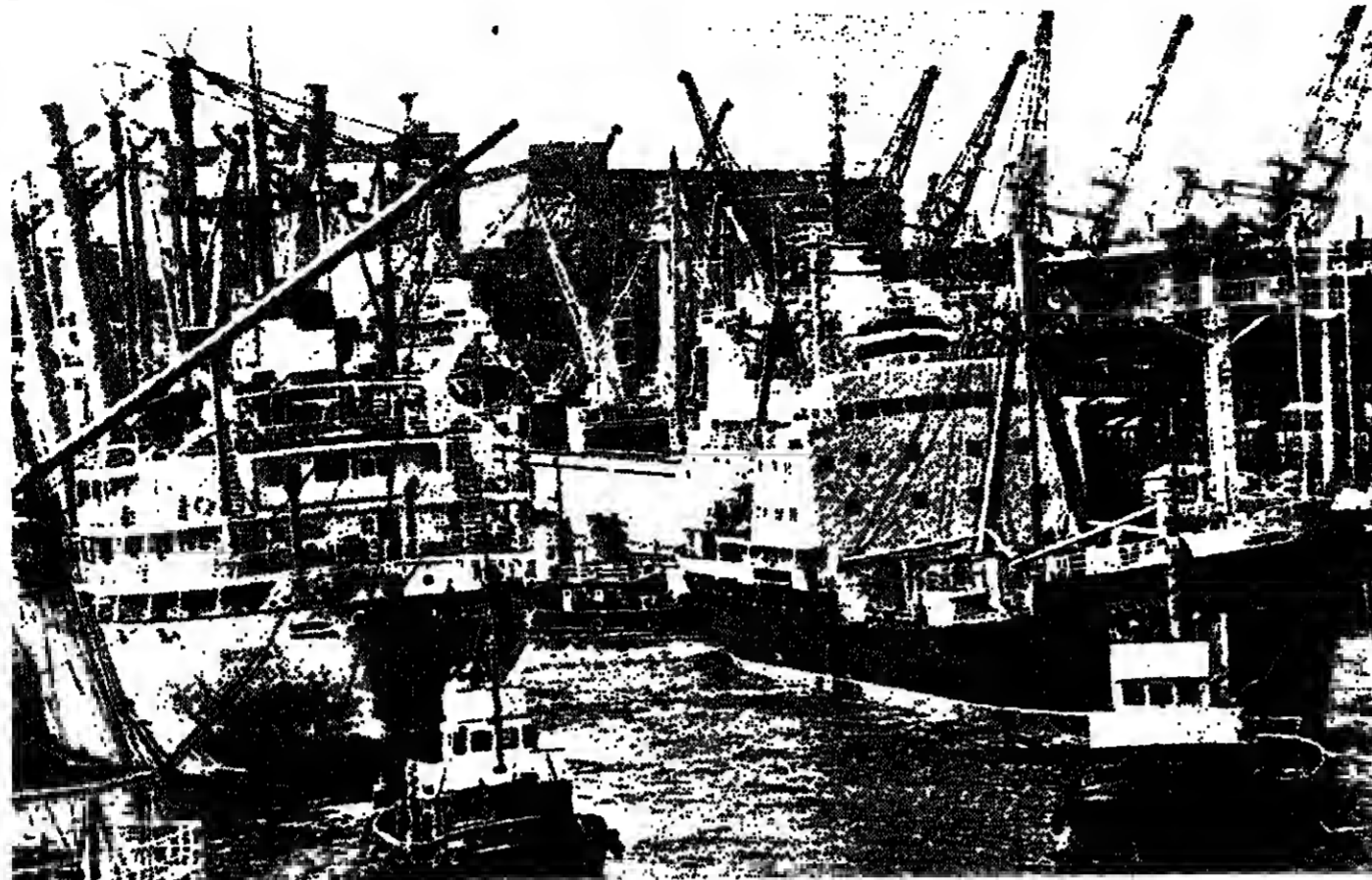
Manning of Vessels

The VDR says the industry's required changes will affect manning of vessels, company cost structures and subsidies for West German shipping.

It said it has made offers to seamen's unions that affect numbers of foreign crewmen on tonnage flying the West German flag, and take into consideration their level of training and the wage and social service structures of their home country.

But VDR President Hans Juergen Stoecker has warned that West German shipping faces further difficulties, the position for liner traffic and large tankers having worsened.

He put the number of German-



A busy day in the overseas harbor, one of Bremen's 14 modern harbor basins.

owned vessels flying a foreign flag at 340 at the start of this year, totaling 3.9 million gross register tons.

The number of ocean-going vessels flying the West German flag was 446 of 6.9 million GRT, with 600 coastal vessels of 400,000 GRT remaining loyal to the red, gold and black flag of the Federal Republic. These vessels employed 30,000 crewmen, 22 percent of them non-Germans, Mr. Stoecker said.

The VDR has agreed to a new pay scale for West German seamen, involving an increase in the basic wage of 5.4 per cent, plus small bonuses and peripheral extras.

However, reservations were expressed by the VDR about the level of the settlement, owing to the pressure on profits in many sectors of shipping, the likelihood

of aggravating international competitiveness and in view of the overall economic situation in West Germany.

The VDR stated that its decision to approve the settlement was prompted by the desire to prevent unrest aboard ship.

Strength of Mark

One major factor hitting West German shipping for several years — the Deutsche mark's strength — has been alleviated in recent months, according to Mr. Stoecker. "The present parity of the dollar against the Deutsche mark is benefiting West German exports and the ships that are required to transport them," he said. "But this factor alone cannot solve the problems of uncompetitiveness facing [German] shipping."

Mr. Stoecker said that although West German shipowners are searching for ways to improve

their position, they still require back-up from the federal government.

West German shipowners have for years complained bitterly over the unfair competition from the Soviet Union, and Mr. Stoecker said this challenge remains a major threat.

The overall West German fleet, under the national flag and flags of convenience, has not in fact declined in recent years, Mr. Stoecker said. To help prevent the shift toward foreign flags, however, German shipowners must be given assurances that the investments they make in future will not be lost. This is the real point of subsidies to the sector, he added, and a further outstanding contribution could come from changes to fiscal policy.

Mr. Stoecker summed up the position in a recent seminar on trans-

port policy at Muenster University. "Enterprise is risk — especially in shipping," he said. What West German shipowners expect is protection of their room for development."

The results shown by West Germany's largest shipping line, Hapag-Lloyd AG, could be viewed as a microcosm of the industry as a whole. The company passed a dividend in 1979 and has described 1980 results as unsatisfactory.

The company was in fact hit by the losses incurred by its airline, but was also affected by setbacks in the liner sector, with large and unpredictable losses of revenue and rising costs on important routes.

With bunkering costs a general problem the North American trades were hit by a tough price battle, which led to a decline of up to 30 per cent in freight rates.

Shipyards: Production Continues To Decline

HAMBURG — West German shipbuilders have little cause for cheer after several lean years. Figures issued by the West German Shipbuilders Association show that production fell an additional 10 percent last year.

The association said deliveries in 1980 totaled just under 400,000 gross registered tons, with a value of about 2 billion Deutsche marks. The overall order book at mid-December was between 2 and 2.5 billion.

About two-thirds of the orders in 1980 were for West German operators, who are themselves having a lean time. Yards delivered 58 vessels displacing 140,000 gross registered tons to domestic shipowners in the first nine months of last year. This tonnage had a value of DM800 million out of a total of DM1.28 billion, the shipbuilders association said.

This position is likely to be maintained, with 51 vessels displacing 740,000 gross registered tons under construction or on the drawing board at West German yards for domestic operators. This represents 67.6 percent of the total order book.

West German Yards

Looking at it the other way, 83 percent of the vessels delivered between October, 1979, and September, 1980, for operation under the German flag were built at West German yards.

Another worry for West German shipbuilders must be the marked shift last year away from the specialized tonnage on which their hopes. Unable to compete with shipbuilding nations, especially in Asia, which benefit from low-cost labor and can produce off-the-peg vessels at much lower prices, West German yards concentrated on sophisticated ships involving high intensity technology and considerable know-how.

Unfortunately, demand has shifted toward simpler bulk carriers while West German yards continue to operate against discriminatory subsidies in other countries, the shipbuilders association said.



A barge heads under the Rhine bridge at Cologne.

There was little sign late last year of a balance between supply and demand for new bottoms, the association added, and with the slowdown in growth of world trade, prospects for an improvement in the near future are poor.

The Bremen Institute for Maritime Economics said that the number of shipbuilding nations is growing, with Germany and other industrial nations facing the challenge of a growing number of Third World and threshold countries. These countries are in some cases grabbing an increasingly large slice of the world shipbuilding cake, put at around 48 million tons of orders in hand by the Bremen Institute.

Japan the Leader

Institute figures show that of the 35 nations currently engaged in shipbuilding Japan holds 38.1 percent of the market, followed by South Korea with 6.8 percent, Brazil 6.6 percent and Spain 6.3 percent. West Germany on the other hand accounts for a bare 2.3 percent, and has recently been overtaken by Taiwan, which holds 2.6 percent.

Slight comfort for West German shipbuilders comes from the Yard Aid Program, which will run until at least the end of this year. The program, launched by the government to help subsidize ship construction contracts and in force

since 1979, was approved by the commission of the European Communities last autumn.

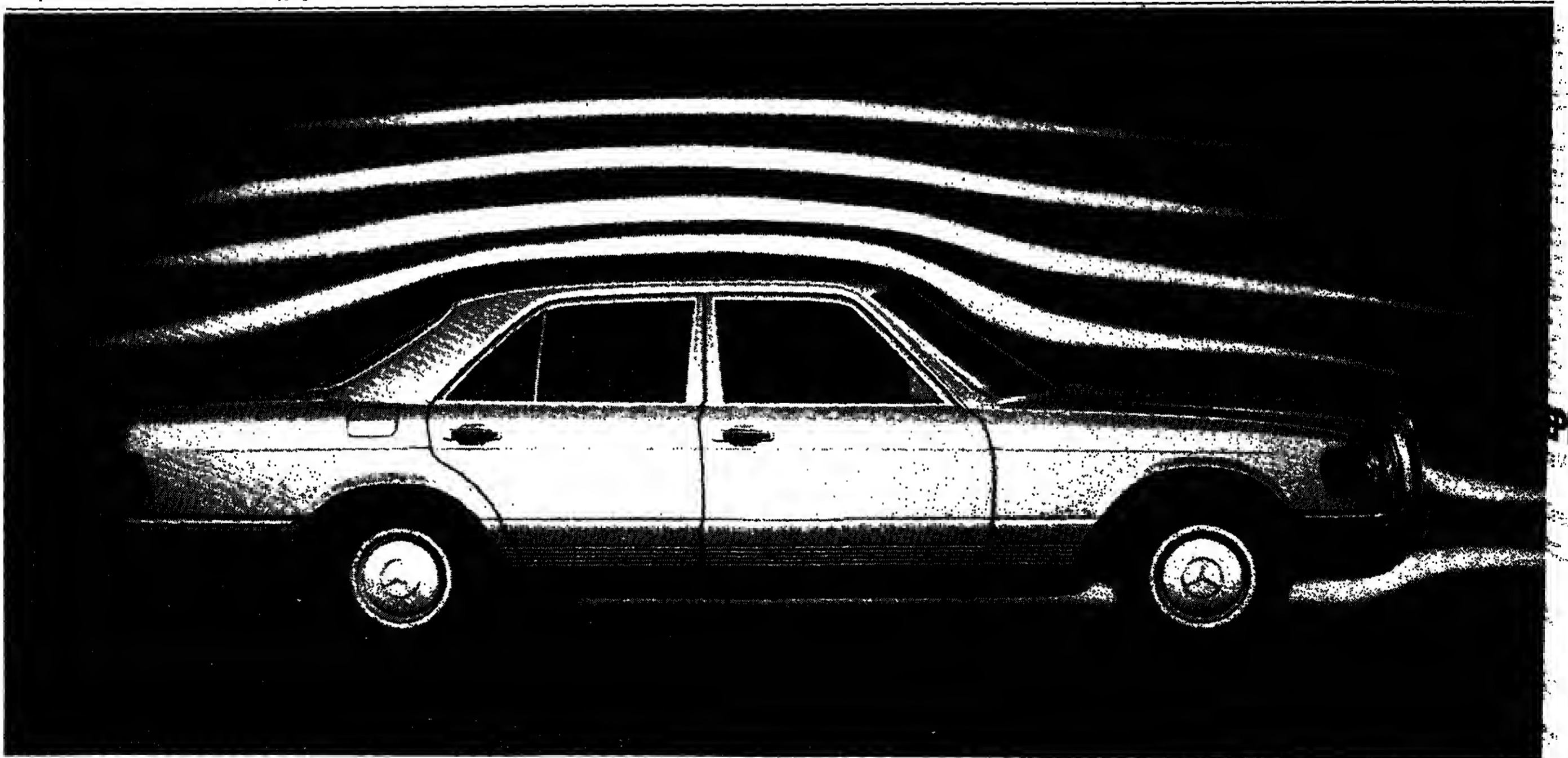
The program was conceived as a declining aid program initially at DM240 million, but is reduced to DM180 million a year. At the same time it must amount of contracts that can be subsidized under the scheme is being reduced to 15 percent.

By summer, 1981, the aid for aid in the construction of new vessels of 250,000 registered tons.

Observers on West Germany's northern seaboard feel that for the sector could come a shift in foreign exchange with the yen rising strongly, the Deutsche mark in recession and helping to close the cost gap between Japan and Germany.

The Japanese have so yards will not operate flat year, but considerable work has been expressed here a likelihood of the world's shipbuilding nation reducing capacity usage voluntarily to balance the market.

Although the Japanese took to construct only 4.5 tons in 1980, observers feel a figure was probably a million.



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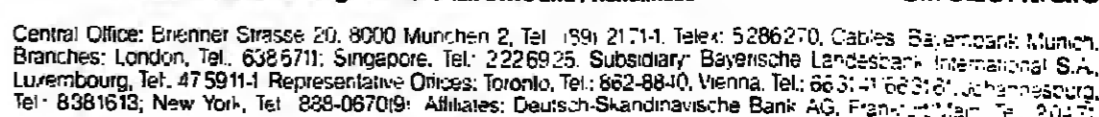
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Tourism: A Wealth Of Sights and Sounds

FRANKFURT — This year marks the 1,025th anniversary of the founding of Lueneburg, an occasion that will pass without fanfare in what once was one of the richest cities in Germany. After a millennium, another 25 years does not make a big impression.

Lueneburg, a large town on the northern edge of the Lueneburg Heath only 36 miles from the bustling port city of Hamburg, grew up around Am Sande, the spacious market square (actually a long rectangle) that is still the core of the city. The area's medieval appearance has remained almost unchanged. Overlooking the market place is the Rathaus, said to be the biggest medieval city hall still intact in Germany. Its oldest sections date to the year 1200, although its baroque facade — rather recent — was added around 1720.

Kept under glass in the city hall is a piece of wild boar meat. Once upon a time, so the legend goes, a hunter came across that boar in a muddy pool. After killing the animal, the hunter saw that its hair had turned into glistening white bristles, actually crystallized salt, and the muddy pool revealed an apparently inexhaustible mine of salt. The "white gold" became synonymous with what was then called Lueneburg, and the city — thanks to its location on the Ilmenau River — became the commercial center of the region until the railroad arrived in the 19th century.

Churches Mark Divisions

Lueneburg was neglected during World War II, a fact that accounts for its well-preserved medieval appearance. The major sights include the elaborately decorated city hall and the four churches that once marked the town's division into the market, salt, sand and water

quarters. Among other buildings of interest are the house of two gables on Grapengiesser Strasse, built in 1548 as a brewery and now housing the local chamber of commerce; Glocken Strasse 9, the first (1487) half-timbered local house, with a highly decorated courtyard and Am Berge 35, the oldest private home, built by a local salt producer. Outside town is the Luene monastery, founded by the Benedictine order in 1172. In addition to its gothic church and many artworks, the former monastery houses medieval embroidered linens and brightly colored Gobelins tapestries that are exhibited to the public for one week each year in August (August 22 to 30 this year).

On the southern side of Lueneburg Heath lies the town of Celle, whose independence was won from the dukes by Lueneburg's salt-flavored prosperity. Although all the main streets in the town still lead up to the 13th-century castle where the dukes resided (its present appearance dates from alterations between 1660 and 1680), Celle is best known for its rows of well-maintained half-timbered houses. Their good condition stems partially from a ban on cars in the center of Celle, a measure to protect historic buildings from pollution.

Celle's castle contains Germany's oldest functioning theater, dating from 1695 — although the interior of the theater was modernized in the 1930s. The Bommann Museum on Schloss Platz concentrates on rural culture and the history of the Lueneburg Heath.

Nearby, just south of Celle, lies another medieval monastery, Kloster Wienhausen, whose tapestries also are a source of fame. They are on display for 11 days each year, from the Friday after Whitsunday (June 12 to 22 this

year), but Wienhausen is worth a visit at any time.

Farther south, slightly more than 30 miles from Celle, is Braunschweig (sometimes called Brunswick in English). This city of more than a quarter of a million people was founded about 800 years ago by Henry the Lion, whose grand-nephew Otto the Strict was to build the first castle in Celle. Henry and his English wife Mathilde are buried in the cathedral — a masterpiece of stone sculpture. Another work of art from that time, the first free-standing medieval monument, is the bronze lion that Henry had cast with a gold coating in 1166 as a symbol of his power. The lion is on view minus its gold coating. Visitors should also see the cathedral and the city's medieval center.

Braunschweig's name has traveled the world as a sausage, which an 18th-century traveler noted was especially esteemed as part of a festive dinner in the East and West Indies. Braunschweiger Mummie gained a reputation as one of the great beers of Lower Saxony. Beer is the principal drink of the region, and it is usually drunk with a clear corn "Schnaps." Another beer from this area, Einbecker, is the origin of the word "Bock" beer.

Braunschweig is less than 40 miles from the state capital of Hannover, the location of the famous industrial fair and temporary host of the treasure from the tomb of the ancient Egyptian King Tutankhamen (at Kestner Museum until April 26. Next stop: Hamburg).

About 30 miles south of Braunschweig lies Goslar, a 1,000-year-old town (in which 168 buildings date from before 1550) that has kept its medieval appearance. The impressive "Kaiserpfalz" (Imperial Palace), the largest secular building in the Holy Roman Empire in the 11th century, today ranks as the largest building of its kind still standing in Germany. It is a reminder that Goslar, now a town of 55,000 people, was a center of German and European history in the 11th and 12th centuries. The Hall of Homage in city hall contains unique early-16th-century murals and ceiling paintings showing the life of Christ.

On Goslar's Berg Strasse is the original home of the Siemens family, founders and owners of Germany's multinational electronics company headquartered in Munich. The house may be visited.

Pied Piper's Town

The town of Hameln (Hameln in German) is also in Lower Saxony, less than 30 miles from Hannover. The legendary rat catcher still leads the local children away in reenactments of the Grimm Brothers fairy tale Sundays at noon (May 17 to September 13 this year). The story, said to be based on a real incident in 1284, is also acted out by miniature figures in the train station restaurant.

A local house dating from that time is the gothic house containing the Loewenapotheke on Backer Strasse. It was built around 1300. South of Goslar is the city of Kassel, actually in the neighboring state of Hesse but closer to Hannover than to Frankfurt or Hesse's state capital, Wiesbaden.

Kassel, site of the controversial documentary international art exhibitions, is host this year of the "Bundesgartenschau" (Federal Horticultural Show). Held in the Karlshagen baroque park, the show devotes 172 days (April 30 to October 18) to plant and flower displays, special events and performances. The four-day grand opening is scheduled to include English buskers and a Swiss street theater group as well as 500 square dancers. Several concerts, a 1,000-member choir and a 200-figure puppet ensemble are also on the program.

Modern art enthusiasts should not feel deprived by the lack of a documents this year. Cologne is putting together one of the major modern art exhibitions of the year, "West Art: Contemporary Art Since 1939," which will attempt to show the changing face of the avant garde during the last 40 years in Western Europe and the United States, with works by Mondrian, Klee, Dubuffet, Jackson Pollock, Rauschenberg, Andy Warhol and from nearby Düsseldorf, Joseph Beuys. In addition, the exhibition will display works of 30 young and little-known artists.

"West art" will be in the Rhinehalle on the trade fair grounds from May 30 to August 16.



... West Germany's rich urban landscape. A statue of the Roland erected in 1404 stands guard outside Bremen's Rat

For those who find themselves in southern Germany with a wish to see some of the countryside, the cities of Frankfurt, Stuttgart and Munich provide convenient gateways. Some areas of northern Bavaria (Franconia) are closer to Frankfurt than to the Bavarian capital, Munich.

From Frankfurt, the first historic city encountered is likely to be Würzburg, in the heart of the Franconian wine country (an almost exclusively white wine kept in flat green bottles). Würzburg, which grew conspicuously wealthy along with its prince-bishops, is a showcase for the sculpture and carvings of Balthasar Neumann and Tilman Riemenschneider.

For more than a quarter of a century, Würzburg has been the start (or end) of the "Romantic Road." Created as an itinerary for foreign tourists, the popular route connects once fiercely independent cities and towns that have preserved or restored centuries-old castles, churches and other sites. Along the route are Rothenburg ob der Tauber, Dinkelsbühl and Augsburg. Würzburg and Füssen lie at the northern and southern ends, respectively, of the route.

Renowned Opera Festival

Other cities in Franconia include Bamberg, a 1,000-year-old bishop's residence with a famous medieval cathedral and many art treasures, and Bayreuth, celebrated for its annual Wagner opera festival. Nuremberg, location of the annual international toy fair and colorful Christmas market, has maintained the home of native son Albrecht Dürer, which is open to

the public. Also here are the famous National Museum, sure house for German porcelain and sculpture, handicrafts furniture and costumes. Old museums in Nuremberg are to transportation and to the silent ruins of the stadium Hitler stirred up his Nazi in the 1930s can still be seen.

On the other side of Germany, in the southwest, lies the Black Forest. Its well-known towns include the spa of Baden-Donaueschingen, where Danube begins its 1,710-mile journey to the Black Sea, and university town of Freiburg in Germany.

The "Schwarzwaldstrasse" (Black Forest Highway) provides numerous views of rural beauty and access to places worth visiting between Baden-Baden and Freudenstadt. The Black Forest's name has been acquired by cherry-whipped cream and dark smoked ham, but the popular vacation and spa serve other dishes. The Black Forest and the state of Baden in general have a proportionate share of the best resorts in Germany.

Stuttgart is a gateway to Black Forest, as is Strasbourg. The area is also drive from Frankfurt. (Information on travel in many may be had in English from the German National Board, Beethoven Strasse, Frankfurt am Main, West Germany.)



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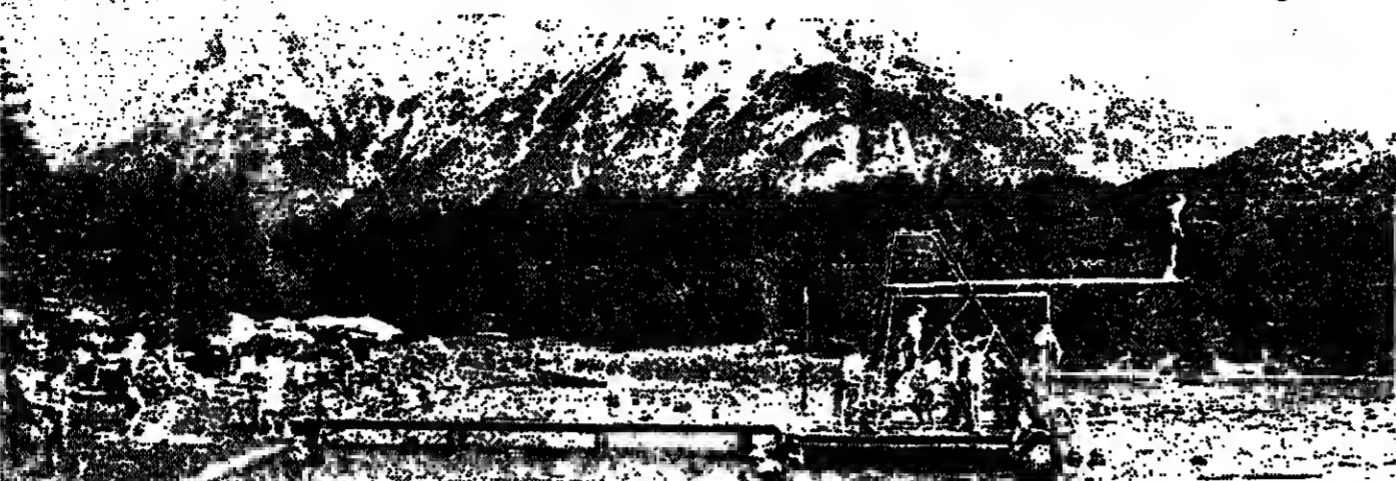
Leisure: A Nation Takes Its Play as Seriously as Its Work

WICH — Have West Germans switched completely to a leisure ethic, shutting out traditional work ethic? A mass-circulation weekly last fall asked a pointed headline on its cover: "West Germans Lazy?" Editors were inundated with protest letters. "We are best-working people in the world," was the consensus of readers.

They tend to prove the editors and the readers wrong. If they have not already, West Germans are about to set a national record in absenteeism during the Easter holiday.

A Scale on Working
According to a 1979 survey by magazine, the country's business and financial West Germans ranked as the people in the world who work the least. According to the average gainfully employed West German, he works 1,898 hours at his job, the average American 2,110, and the average Japanese 2,412. By comparison, the average U.S. citizen works the Spaniard 2,008, the Frenchman 2,126, and the Japanese 2,412.

Leisure Ethic
It all means is that the in-work ethic, now predated with *Ferienzeit*, *Freizeit*, *Laubzeit* — quitting, leisure time — are on an in-coffee break. These, to be sure, is hardly a veteran observer of the German scene recall the country in the mid-1960s when Konrad Adenauer, the father of the "economic miracle," called the world and his country calling them lazy, of time has not made



Time off: At Mittenwald, southern Bavaria, a mountain lake draws a crowd for a day of swimming and diving.

dispelling the myth of the hard-working, diligent Germans any less unpopular.

How unpopular was something Otto Lambsdorff, the minister of economics, learned last winter when he rephrased Mr. Erhard's remarks and warned that the times are over "when we can continue to work fewer hours indefinitely for ever more pay."

Costs, Quality

And it is beginning to tell, in the form of spiraling labor costs and reduced quality that are pricing and driving West German goods out of their traditional markets. To be sure, things have changed since the de facto devaluation of the Deutsche mark in January and February of this year, but until then West German industrial hourly labor costs were almost the highest in the world, just a few cents less than in Belgium, Sweden and The Netherlands, and from 25 to 50 percent higher than in Britain, the United States, Canada and France.

That has been one reason why so many West German manufacturers have established production facilities in the United States. Although hourly productivity by individual workers has grown competitively with other industrial societies during the past decade, the West German has spent progressively fewer hours on the job.

Volkswagen executives, for example, have estimated that their employees in New Stanton, Pa., work 42 more days each year than their opposite numbers in Wolfsburg.

Less Time, Same Pay

The once famed and feared *furor* *teutonius*, it seems, is as extinct as the dinosaur — thanks to social legislation and labor management contracts enacted during the past two decades. The result is that the average West German now spends less time on the job — and still gets paid for it — than anyone else in the Western world.

Average annual paid vacations are one factor, and it seems that whomever you talk to — blue-collar or white-collar worker, tradesman or bureaucrat, executive or professional — *Urlaub* (vacation) is always the first thing on their minds.

By law everyone is entitled to at least three weeks, and certain age groups, such as those under 18 and those over 35, have the right to four weeks.

But labor management negotiations over the years have guaranteed most people considerably more. According to the Deutsche Gewerkschaftsbund, the German Federation of Trade Unions, more than two-thirds of workers and employees currently get at least six weeks off. Moreover, in addition to their normal pay, about 80 percent of all blue- and white-collar workers receive a vacation bonus — *Urlaubsgeld* — which averages about 40 percent of the monthly take-home pay.

Executives normally have eight weeks, half or one-third of the time in winter, the rest in summer. But there is more: The high number of paid legal holidays each year — 16, give or take a few depending on regional differences and social customs.

Not only do the West Germans celebrate nearly every major and minor Catholic and Protestant holiday, but they celebrate them twice as long as anywhere else. Christmas lasts three days officially, beginning around noon Dec. 24 when all stores close, offices having shut down the 23d, and includes the 25th and 26th. Then there is the protracted New Year's celebration, the weeklong preoccupation with Easter and the long Pentecost weekend.

In Bavaria, where Epiphany Day (Jan. 6) is also a legal holiday, it is customary for most offices, businesses and smaller plants to simply shut down from Dec. 23 to Jan. 7.

Long Easter Week

Easter week is precisely that, beginning with Good Thursday before Good Friday and lasting through Easter Monday — very often the Tuesday after.

In most states Corpus Christi, Ascension, All Saints and Repentance Days are legal holidays, to which one must add All Souls, Labor Day (May 1), German Unity Day (June 17) and a spate of local festivals.

Rhinelanders, in the industrial heart of the country, and Bavarians take at least a week to bring the annual pre-Lenten carnival

season to a liquid and joyous conclusion.

Nearly every village and town sets aside a day to celebrate its founding in the year something-or-other A.D.

Extended Weekend

Meanwhile, the two-day weekend has, for all practical purposes, become a two-and-a-half day one. Rare is the West German office where anyone can still be found at his or her desk after noon on Fridays. Among civil servants, lawyers, physicians and most other professionals, the "free Wednesday afternoon" has been a tradition since the turn of the century. But the West German who still feels overworked after all that has yet another option: the six weeks of annual sick leave — at full pay — to which everyone is entitled.

This can be followed by a month's paid *Kur* — a convalescent cure at a spa — which can be stretched into an additional period of *Schonzeit*, a post-convalescent period during which the "patient" is required to report at the job but must not work "too hard."

Flexible Sick Leave

The sick-leave system is especially flexible, often finding expression in the phrases: "I think I'll take my flu this week," and "He's celebrating his gripper." On the average, every industrial worker in the country reports sick about 15 days a year.

Last year, in addition to all this, the Bundestag enacted a measure that allows working parents five additional days off yearly — at

pay, of course — to nurse small, sick children at home.

In 1978, the last year for which figures are available, it cost West German employers 24.6 billion DM in direct payments to workers absent for reasons such as illness, health and curers and accidents. No estimate has been made of indirect costs.

Absenteeism, according to the Cologne-based Institute of the German Economy, reduces the time actually worked by 8.4 percent, compared to 3.5 percent in the United States and less than 2 percent in Japan.

And lest one forget, paid time off, not chargeable against accrued vacation time, is usually granted for "extraordinary events" such as weddings, births, house movings or deaths of close relatives. Not only is it permissible to attend one's grandmother's funeral, but also that of one's grandmother-in-law.

Not How ... When?

The macroeconomic effect of all this is probably incalculable. That on the foreigner attempting to do business in West Germany is maddeningly frustrating. "The main problem you will face trying to do business here is not 'how' but 'when,'" a West German executive has commented in trying to impart well-meaning advice to American counterparts.

What he meant was that the West Germans have become so preoccupied with *Freizeit* that the average visitor may not find his German counterpart in the office.

"I'd say the best time for scheduling a business trip here," he continued, "is between late January and early April and again from early September through November. The rest of the year you'll run into the vacation schedules — summer, winter, spring and autumn."

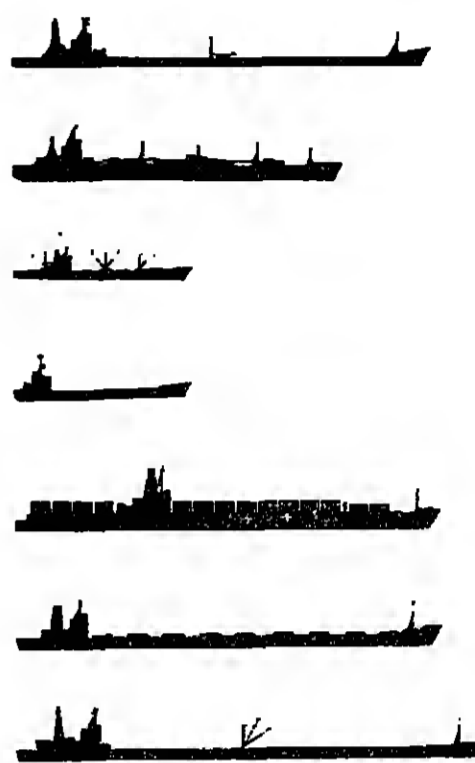
"But April can be a problem, too, depending on when Easter falls. The schools have Easter vacation and most parents also go on them."

"May is an absolute disaster. It starts with Labor Day. Then, depending on when Easter was, there's Ascension day, Pentecost weekend, and Corpus Christi day — all legal holidays."

Is it any wonder then that, according to a recent Dresdner Bank study of the problem, productivity in West Germany is 24 percent lower than in the United States?

—J.D.

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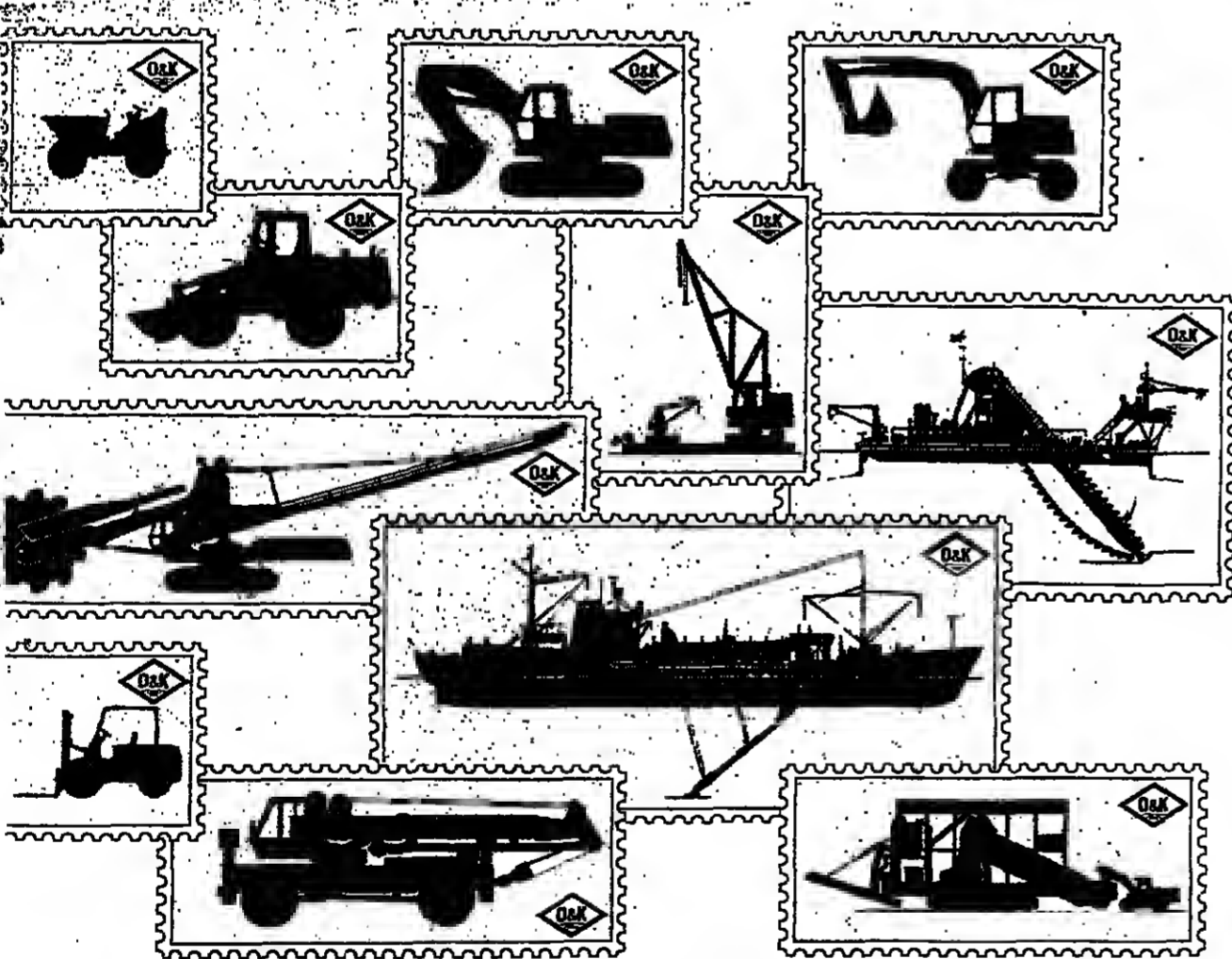


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Wine Academy: A Week of Tasting, Talking

By Clotilde Lucey

GEISENHEIM — In the parish church in the town of Raunthal there is a 300-year-old statue of the Virgin with the infant Jesus in one arm and a bunch of grapes in the other. The statue is known as the Grape Madonna, and it could not be in a more fitting place. Raunthal lies in the Rheingau, one of Germany's most internationally famous wine-producing areas.

The Rheingau stretches along the Rhine River — "Gau" is Middle High German for waterside landscape — on both sides of the city of Wiesbaden, from Lorchhausen to Wicker. From here comes the original Johannishaus Riesling, a wine name that travels well and can be found in the vineyards of California and Brazil. Here is Hochheim, source of "hoch" (as the British tend to call all Rhine wine), allegedly the favorite of Queen Victoria. A Hochheim vineyard that she visited in 1850 is named after her.

Praised as the "blessed plains and vine-clad countryside" by Goethe, the Rheingau offers endless material for discussion, especially while enjoying the product of its vineyards. That is what takes place several times a year, from May to October, at the German Wine Academy. Seven seminars are being held this year in English, including one postgraduate course for former seminar participants. The DM1,250 course includes lectures and visits to vineyards and wine cellars and a lot of wine-tasting and eating. "All this leads to a better understanding of German wines," the brochure promises, but it also leads to a test of stamina.

Academic Week

The academic week gets under way with a visit to Eberbach Monastery outside Eltville. Although the Swedes carried off its valuable library in the 30 Years War, the nearly 850-year-old walled compound remains a close to perfect example of a medieval Cistercian monastery. Now administered by the state of Hesse, Eberbach Monastery has seven wine estates that together make it West Germany's biggest wine grower.

The second day includes a visit to the State Research Institute of Viticulture and Horticulture here in Geisenheim, which is visited by scientists and wine growers from



The village of Kaub, at the foot of a carpet of terraced vineyards. Looming over the village is the Burg Katzenfels fortress.

'A wine seminar is first of all a pleasure.

In fact, the course used to be called 'relaxation with wine,' but along with the hands-on practical sessions, the leisurely meals and sightseeing, one soaks in knowledge of history, culture and the scientific basis of wine.

around the world. The same day, the seminar participants have lunch on a Rhine river cruiser, sipping wines as they pass the vineyards where they originated.

The basic course also offers trips to other German wine areas, to the Moselle, Nahe, Baden (with a tour of Heidelberg castle) and Rheinhessen (with a visit to the Liebfraumünch vineyard and Liebfrauen church in Worms).

A wine seminar is first of all a pleasure. In fact, the course used to be called "relaxation with wine," but along with the hands-on practical sessions, the leisurely meals and sightseeing, one soaks in knowledge of history, culture and the scientific basis of wine. An important lesson is that the experts do not always agree on why a wine tastes the way it does as well as on other subtle points in this ancient alchemy.

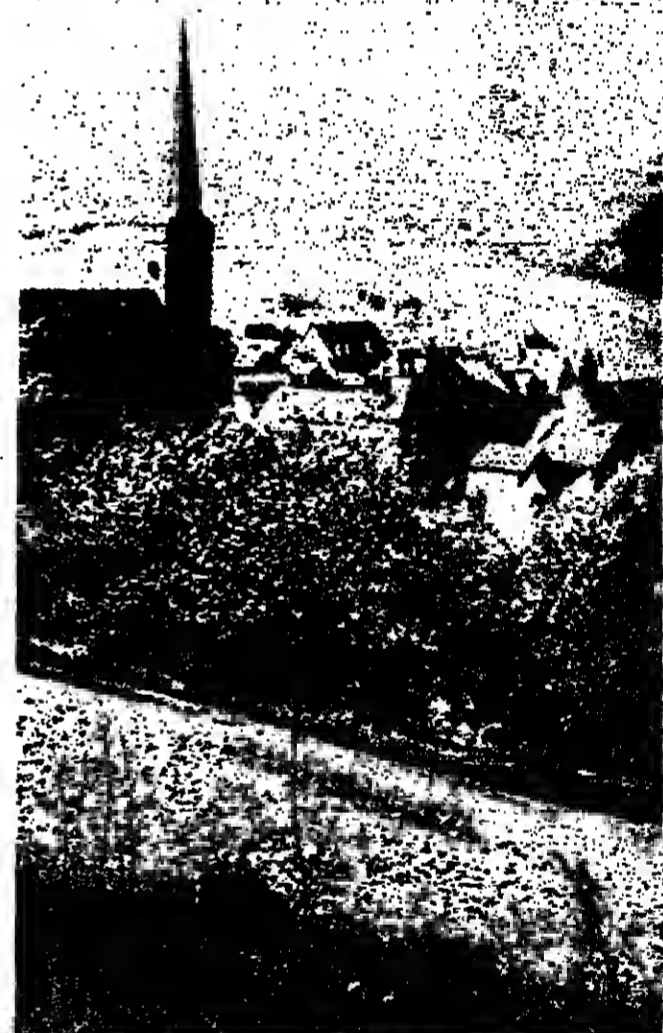
Lively Debate

Some of the liveliest moments in the week are touched off by a simple statement: "I don't like this wine," which is usually immediately followed by a pro and con debate. Also subject to debate is the latest charge of adding sugar to the wine, which investigators claim in-

involved 200 dealers and 800 growers in various German wine regions and some in neighboring France and Luxembourg. Was this alleged violation possible only because West German wine laws are too strict? In practice, the real headache is borne by the consumer of artificially sweetened wine.

A perennial debate about German wine is waged over whether it is for sipping but not for supping, that it does not go with meals. Count Erwein Matuschka-Greifenclo, a member of a family now in its 28th generation as the owner of Schloss Vollrads, has conducted extensive experiments in this area. The count has prepared a long list of suitable German wines for the whole menu, from pate de foie gras (with a Riesling Auslese), a main course of stewed or roast beef, duck or pheasant (with a dry späetburgunder from Baden-Württemberg, for example) or wild boar (all dry German reds), and on to the cheese. Only for strong cheese such as goat cheese does the count feel there is no suitable German wine. Of course, the count's choices could be the subject of debate at the next wine seminar.

(For more information: German Wine Academy, P.O. Box 1705, 6500 Mainz, West Germany.)



A village in the Moselle wine region.

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31.08.-01.09.	BERLINER INTERCHIC - 123. Durchreise/International Fashion Fair
04.09.-13.09.	International Audio- and Video-Fair Berlin
30.09.-04.10.	19th Overseas Import Fair "Partners for Progress" Berlin 1981
07.10.-10.10.	büro-data Exhibition of the Office Industry Berlin '81
11.10.-14.10.	BERLINER INTERCHIC - 124. Durchreise/International Fashion Fair
27.10.-31.10.	EL-FA '81 Berlin - Electrical Engineering Exhibition of the Berlin Trade Representatives CDH
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Communications: Sky's the Limit on Microelectronics

MUNICH — Microelectronics, which has brought about a revolution in the application, expansion and prices of computers, has similarly transformed the communications business. And this transformation is not limited to any particular form of communication: it embraces media and newspapers as well as private and business telephone systems, telex and typewriter (both becoming obsolete through the spread of electronic mail, facsimile transmission and the word processor), the transmission of words and pictures via satellite and intricate defense communications systems.

It is a fiercely competitive market restrained only by national considerations. The Deutsche Bundespost (Post Office), for example, is not expected to provide major opportunities for foreign companies in the gradual transfer to a digital telephone switching system. Similarly, the French government gives preference to CIT-Alcatel and Thomson CSF, and British Telecom — also publicly owned — gives preference to GEC, Plessey and STC, a subsidiary of IIT.

The Dutch multinational Philips has estimated that of a world public telecommunications market of around \$30 billion a year, only \$4 billion — or 13 percent — is open to true international competition. (The big contract recently won by a Siemens-led consortium in Egypt belongs in this category.)

The concept "communications"

covers a good deal more than just public telecommunications, and the linkages between different forms of communication are appreciated by the major international companies. Gradually the original computer manufacturers like IBM (which has a large West German operating subsidiary) have come into the communications market just as the original telecommunications specialists like Siemens, Philips, AEG Telefunken and Standard Elektrik-Lorenz (the West German IIT subsidiary) have increasingly been taking an interest in computers.

Significant Feature

This integration of devices, interest activities and research has received a new impetus from microelectronics, a significant feature of communication systems of all kinds.

In the case of Siemens, communications are the concern's second largest operating division, with sales of over 9 billion Deutsche marks last year (an increase of 12 percent over the previous year) and an order book of over DM10 billion, up 13 percent.

Siemens has the lion's share of the West German Post Office's contract to gradually transform the entire telephone network from analogue to digital switching. (Orders by the post office last year amounted to more than DM 8 billion; this year's total investment may exceed DM12 billion.) Next

year the new digital technology should be on trial in six exchanges and by 1985 the first series-produced digital exchanges should be in operation. Nevertheless, it may take literally decades for all the 3,000-plus West German exchanges to be converted to digital switching.

Similarly, the new glass fiber (optic) cables which are thinner, tougher and more resistant to interference than the conventional copper wire cables they are destined to replace are being tested in many other countries as well as West Germany.

Their application spreads well beyond telecommunications — optical fiber cables can carry speech as well as television or computer information. Competition in this area is far more open than in the provision of public telephone systems and the West German companies are having to face the full blast of foreign competition.

Storing Information

Another aspect of the electronic revolution may be seen in the postal service. Eventually much of the business correspondence, not only within West Germany but throughout the world, is expected to be carried on by "Telex," a new service integrating data and word processing with the storing of information. Although Siemens has pioneered the concept, which is being introduced this year, sev-

eral competitors have entered the field, including Triumph-Adler (the Volkswagenwerk subsidiary), Olympia (an associate of AEG-Telefunken), Standard Elektrik-Lorenz and, of course, Siemens's great European rival, Philips. Forecasts put the possible increase in West German subscribers from the present 10,000 to at least 120,000 by 1990.

The "electronic newspaper" service, already available in Britain, is at present being tested in West Germany, in the Berlin and Dueseldorf areas. The simple form allows the subscriber to dial for the information to be screened — and repeated, if he so wishes.

However, newspapers answer this threat by using satellite and facsimile transmission of pages (text and pictures), or entire newspapers over satellite and telephone links respectively. (International Herald Tribune uses both — the first for its Hong Kong, the second for its London and Zurich editions.)

Satellite transmission is not limited to newspapers. It is an integral part of the transatlantic television and telephone services, and West German companies, not only those in electronics but also in the aerospace and engineering industries, are supplying knowhow, systems and components. They include Siemens and AEG-Telefunken (the largest supplier of solar cells to provide energy for satellites) as

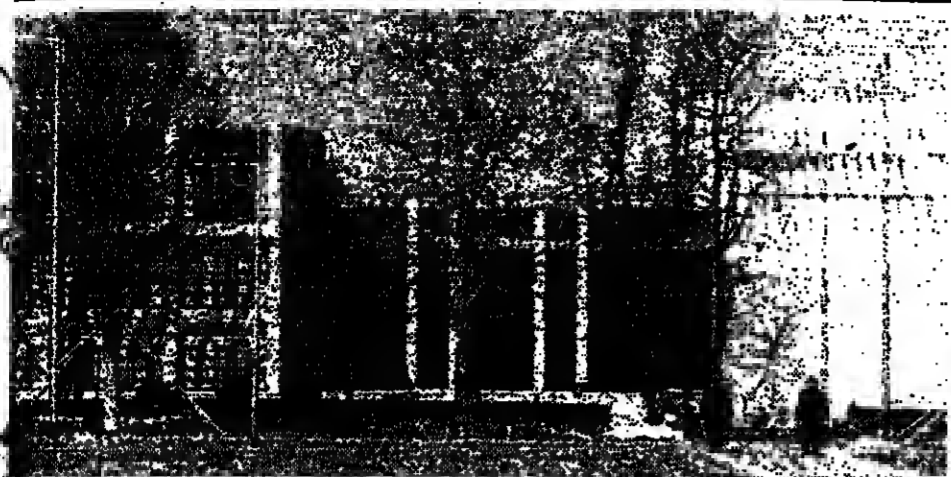
well as Messerschmitt, Dornier, Standard Elektrik, Brown-Boveri, M.A.N. and others.

But it is in offices that the electronic revolution is expected to achieve its fastest growth. Here the linking of computers and terminals, external and internal digital telephone switchboards, word processors, electronic mail, facsimile, transmission of drawings, pictures and images may be integrated into single sophisticated systems.

Klaus Luft of Nixdorf believes that the integration of all these electronic devices into a single system will lead to a decentralization of office functions and a greater flexibility in procedure. It should enable smaller companies to close the "information gap" which hitherto favored the large concerns. The larger companies in turn would be able to delegate more responsibility to their subsidiaries, associates and even branches.

Expansion of integrated communications systems in offices would profoundly change the nature of employment and perhaps the number of people employed. According to Mr. Luft, employees will have to accept that the proportion of "standardized work" which has to be carried out in line with immutable rules "will continue to increase. The problem, he says, must be solved by the cooperation and understanding of all those affected; it is not one that technology can solve by itself.

— A.H.



Munich's New Pinakothek

The New Pinakothek in Munich

By Susan Reimer-Torn

MUNICH — When in the early 19th century a group of young artists left Germany to set up a school in Rome, a future king was in their midst. The young prince, soon to be crowned the King of Bavaria in 1825, was an ardent admirer of his friends' paintings.

It follows that one of the priorities of Ludwig's was the creation of a museum exhibiting the works of his contemporaries. Ludwig's New Pinakothek, housing his collection of mostly German art from the first half of the 19th century, was in central Munich, significantly positioned between the Old Pinakothek, repository of European masterpieces from the Renaissance through the 18th century.

The museum was maintained and gradually enlarged by other acquisitions of 19th century art. The building was irreparably damaged by fire in World War II. Its paintings, safely elsewhere, are now the nucleus of the collection of the long-awaited New Pinakothek, which in 1972 opened its doors, with a ceremony, for the first time last week.

The new Bavarian museum is an outgrowth of the region's traditional enthusiasm for art collecting, always closely linked with regional pride. The royal and noble families have a history of art patronage, boasts 17 major museums housing 22,000 works — and these collections are frequently enhanced by gifts and loans from local sources.

Like the New Pinakothek houses art from all Europe, its construction was characterized by Bavaria's fierce sense of cultural independence. When, in 1978, the federal government agreed to contribute 50% of the funds needed to reconstruct the museum, the Hirsch collection directors Erich Steingraber and hard Rehmer refused assistance rather than compromise their autonomy.

The museum's past achievement was also a primary concern to the directors of the New Pinakothek. The designs of architect and Freiherr von Branca, chosen out of almost 300 entries in an official contest, stress continuity with the Old Pinakothek — still standing opposite the new building. He even tried to imitate a quarry, source of the red clay used in facade of the older building. Failing that, a combination of gray sandstone and granite was used for its low key, homogeneous effect. Inside, the small galleries, high ceilings and extensive skylights deliberately recall the design of the old museum.

The New Pinakothek's stone interior and

keyhole windows, its inner courtyards coiled around a central, spiral ramp give it a quasi-medieval look. At the same time, its gleaming newness and high-efficiency elegance update it into a style that Mr. von Branca, somewhat enigmatically, calls postmodern; that is, "a combination of old and new that comes full circle."

Attention to historical continuity also guided the directors in their choice and arrangement of the museum's 500 paintings and small collection of sculpture. Unlike some of the other new German museums that deliberately avoid imposing a director's itinerary, the sloping ramp at the New Pinakothek purposefully ushers viewers through what the directors call "a continuum of art history."

The visit begins with works by selected 18th century artists, such as Gainsborough and Richard Wilson, elements of whose portraits and landscapes are considered precursors to important 19th century developments.

The New Pinakothek is also distinguished by a surprisingly substantial exhibition of English painting, the only collection of its kind in Germany. The curators would like to redress the underestimation of English influence on 19th century continental art. Outstanding in the English collection is Turner's agitated vision of a storm at the harbor of Ostende, his unmistakable canvas swirling in a fusion of water, air and light.

Nor are the Impressionists and post-Impressionists neglected at the New Pinakothek — thanks to the foresightedness of a certain Mr. Tschudi. When his early advocacy of the new schools antagonized Kaiser Wilhelm in Berlin, Tschudi moved to Munich. Although the Munich art world was only slightly less antipathetic, Tschudi's eventual appointment as curator of the New Pinakothek allowed him to hang his 37 unpopular paintings on its walls in 1911. The collection, now newly assembled, includes important works of Cezanne, Courbet, Monet, Manet, Van Gogh and Gauguin.

The museum's present-day directors have a similar disregard for current fashion in art. In addition to an overview of history, they are committed to "a reassessment of Germany's artistic past."

The relative obscurity and even unpopularity of many of its artists does not trouble the museum's directors. They are, on the contrary, proud to anticipate what they believe will be an important new trend. Moreover, the museum, with its air of intimate formality, is not equipped to handle huge crowds. Their goal, in keeping with the tradition of Ludwig and his royal predecessors, is *erziehen*, that is to educate and elevate the public — in this case to a selective appreciation of quality in fine art.

Chemicals: Industry Hit Hard By Exports Slump, Recession

By Gareth Edwards

MUNICH — After enjoying the strongest year of the 1970s, the West German chemicals industry came down to a slump during 1980. It ended the year with cautious optimism and hopes of continuing growth in real terms of around 2 percent, but the rapid deterioration in the West German economy in important foreign markets hit chemicals demand and started a squeeze on profits.

Impeded by the rising costs of raw materials, the industry now sees little chance of a rapid recovery in the first 1981. Karl Wamsler, president of the West German Chemical Industry Federation, expects the industry to perform little better than the overall economy over the next 2 months, a period when German gross national product is expected to decline by 1 percent.

German chemicals companies fared better than some of their European rivals, however, as appear to have stabilized as three months, albeit at a low level.

Areas of the industry that are hardest hit are precisely those that contributed most to the growth in 1979, namely intermediate petrochemicals. Customer industries are building up stocks rapidly in the 1979-1980 surge in oil and a series of price increases in petrochemical products as a surge in demand as cut back to anticipate the next crisis.

Drop in Demand

The economy started to weaken, however, several areas of industry which number among the buyers of chemical products, tiles, motors and construction materials — began to cut demand and reduce stock levels. The second and third quarters of 1980, the chemicals industry suffered an unprecedented drop in demand. Leading companies including Hoechst and Bayer, forced to introduce short-term working in some sectors, and dusty profitability took a hit as the level at which plants were drastically cut back.

It suffered a drop of 63 percent in profits in the third quarter, while the big domestic Hoechst and BASF also saw profits fall by more than 40 percent.

For the year as a whole the picture is better. The industry did a remarkably strong first

quarter but none of the big chemicals groups are likely to match their 1979 performance and BASF has warned that it will have to cut its dividend for 1980.

The main production drop last year was in organic chemicals, where output was down by around 11.7 percent. Production of ethylene, the most important basic petrochemical — used in a wide range of products including plastics, fibers and paints — fell by 13.1 percent in the first 11 months of 1980 to only 2.8 million tons as opposed to 3.2 million tons in the same period of 1979.

Some Less Affected

Areas that are not so immediately affected by the trade cycle, such as fertilizers, crop-protection chemicals and consumer products, were not as hard hit by the recession in the industry last year. Some sectors, like pharmaceuticals, have even managed some growth.

Overall, however, the chemicals groups have been working at a substantially reduced level of capacity. Hoechst reported recently that its plants were working at only 72 percent of capacity in the fourth quarter of 1980 whereas the year's average was 77 percent and had been 82 percent in 1979.

The reduction in output has been clearly reflected in the number of chemical workers hit by short-time working. In February of this year 19,747 employees in the industry were still on short-time.

The recession has left its deepest mark, however, in the synthetic fibers sector, which has been in something of a crisis for much of the late 1970s. Some capacity in the industry has been cut back under economic pressures and as part of an agreed reduction by producers in the European Community. But according to Edeka, one of the leading West German synthetic fibers companies, the industry in Western Europe has run up losses of around 2.5 billion Deutsche marks in 1980 and is urging a further cutback of some 600,000 tons of capacity to bring the sector more in line with demand.

Rise in U.S. Imports

Producers of synthetic fibers particularly have been suffering from rising U.S. imports in EEC markets, which have been made possible by U.S. foodstock and energy-cost advantages. The rising price of energy and oil-based feedstocks is a more general problem for the West German chemicals sector, which, because of falling demand for its products, has been unable to pass on rising costs in the form of higher prices.

Although prices have been rising — the German chemicals manufacturing price index rose by 8 per-

cent last year — they are far behind the increase in costs and in some particularly hard-pressed sectors product prices have fallen below the previous year's level.

West German chemicals companies complain that their rivals across the border in France are enjoying an advantage of around 25 percent in power costs, and it is unlikely that the comparative positions will change in the next few years. The cheaper French power prices appear to stem from the larger nuclear energy component that has been built up in France.

The gap between the two countries is likely to widen further during the next decade. The leading West German building group of nuclear power plants — Kraftwerk Union — estimated recently that by 1985 the buildup of nuclear energy in France will give a cost advantage to French industry and consumers of up to DM10 billion. By 1988, barring accidents or major changes in political policy, France could be deriving as much as 70 percent of its power needs from nuclear energy, while West Germany will have a nuclear component of at best little more than 20 percent.

This imbalance between neighbors has done little to impair the standing of the West German chemicals sector in the world industry. Hoechst, Bayer and BASF are the world's three largest chemicals companies, and last year the West German industry was able to consolidate its position as the largest exporter of chemicals in the world.

The industry's turnover increased nominally by 5 percent last year to DM108 billion, the rise coming from higher prices offsetting the 4 percent fall in production. Exports rose by around 7.1 percent — to DM43.4 billion in the first 11 months of the year — and as much as 43.7 percent of production is going now to foreign markets. In the same period imports rose by 10.4 percent to DM24.4 billion.

The chemicals industry, with a work force of some 551,000 people, is one of the major pillars of West German industry and of the nation's export effort. Capital expenditure this year is expected to come close to last year's level of DM7 billion — up from DM6 billion in 1979 — but Mr. Wamsler warned recently that spending could start falling in 1982 without a clear improvement in the industry's fortunes. The first half of 1981 appears to have been largely written off in terms of recovery, but most companies are looking for more hopeful signs in the second half of the year.



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Foreign Workers: Decade Of Integration Lies Ahead

By Gareth Edwards

FRANKFURT — When West Germany started to welcome foreign workers in the early 1960s to oil the wheels of the booming economy, the first seeds of social and racial unrest were sown.

It has only just become apparent, however, that the millions of foreigners drawn into the country as a temporary reserve army for the over-stretched labor market have little intention of leaving.

The Federal Republic faces a formidable problem of social integration in the 1980s.

Josef Stügel, president of the Federal Labor Office in Nuremberg, recently had to appeal to German citizens to show greater understanding of foreign workers and their families.

"For the foreseeable future our economy can hardly survive without them," Mr. Stügel said. "They helped us when we needed them, now we cannot simply send them home."

Hostility to the presence of the 4.5-million foreigners in West Germany — around 7 percent of the total population — has become more pronounced as the economy has weakened to the brink of recession.

Unemployment, rising steadily, reached 1.3 million (5.6 percent of the working population) in February, and with the growing number of jobless has come an increasing resentment of the fact that non-Germans hold some 2 million jobs in the Federal Republic.

Such resentment tends to overlook the fact that many of West Germany's industrial assembly lines and municipal services could hardly function today without foreign workers.

With the level of education and training among immigrant workers generally lower than among Germans, most foreigners are able to get only the lowest jobs in German society.

The more unpleasant and unsocial the work, the higher the percentage of foreigners and the smaller the chance of attracting a German to do the job even if there were no immigrant available to do it.

At a company like Ruhrkohle, West Germany's main coal-mining group, more than 15 percent of the

work force are foreigners, but the percentage changes to almost 100 percent underground at some pits.

Tomorrow's Proletariat

The danger, recognized by authorities, is that native Germans are increasingly looking down on their foreign neighbors. And the future of the immigrants' children — "the proletariat of tomorrow."

Hostility to the presence of the 4.5-million foreigners in West Germany — around 7 percent of the total population — has become more pronounced as the economy has weakened to the brink of recession.

according to Mr. Stügel — is in danger for, "they will be employed when auxiliary workers are needed and then sacked again some time when they are not."

The jobs of foreign workers undoubtedly are more vulnerable during periods of economic decline.

The disadvantage in skills means that foreigners are more likely to be in jobs that will be lost when the economy starts to turn down.

A study by the German Institute for Economic Research in Berlin showed that in the recession years of 1973-1976 every fourth foreign worker — but only every 25th German worker — lost his job.

The same process appears to be at work in the current economic downturn. In February more than 158,609 foreigners — 7.3 percent of the foreign work force — were out of work. A year ago the figure was 5.7 percent. But only 5.6 percent of the total labor force in West Germany was without work

in February against 4.3 percent a year earlier.

Although recruitment of foreign workers from outside the EEC was stopped as long ago as 1973, the number of foreigners coming to live in the Federal Republic is climbing steadily and jumped to a record level in recent months.

The number of non-Germans in the Federal Republic rose by 7.5 percent — about 309,000 — in 1980. There are two main reasons for the increase: Many foreign workers have decided to become permanent residents and have brought in their families, and there has been a dramatic rise in the number of foreigners seeking political asylum in the Federal Republic.

Permanently Installed

It has begun to dawn on the country that the foreign population in its midst is a permanent one. Some 78 percent of the foreigners questioned in a recent Berlin survey said they had no intention of returning home.

By September last year more than 50 percent of Germany's foreign population had been in the country for more than 10 years.

West Germany created something of a social timebomb for itself by encouraging the growth of this large disadvantaged class among its population. One-fourth of the foreigners in the country are children under the age of 16 and the authorities are recognizing that the most difficult issue to tackle is education.

It is not unusual in inner city areas to find schools and classes where foreigners — with a variety of languages but none of them German — comprise 50 to 70 percent of the student body. Almost 60 percent of foreign pupils leave school without any qualifying examinations and two-thirds without job training. Social surveys suggest that it is predominantly the children of foreign families that suffer: caught between their parents' culture and that of their classmates, but belonging fully to neither.

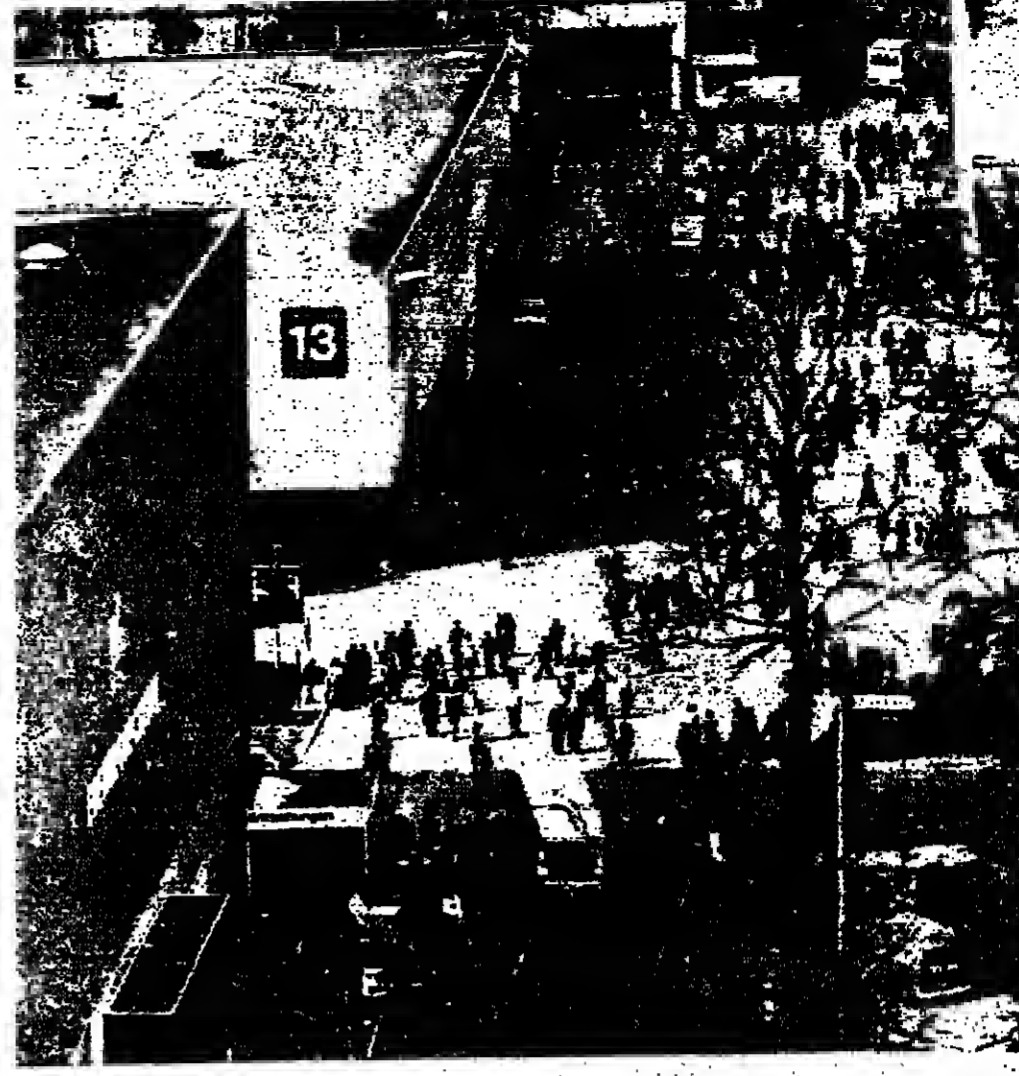
Heinz Kuehn, the government's commissioner for foreigners, is aware of the problem even if he has no ready solutions.

"The resources we don't make available today for teachers and education, we will have to spend in a few years time on police and re-socialization measures," he warns.

The foreign-population issue exploded during last autumn's general election campaign with calls from the German nationalist party (NPD) for a stop to immigration. Politicians from the major parties denounced the policy, but they obviously were aware of the way in which the wind was blowing.

At his final major election rally, Chancellor Helmut Schmidt urged his audience to show "tolerance and solidarity" toward the country's foreign population, but added, "We are not the labor exchange for the world."

Occasionally, hostility to foreigners has been expressed by attacks on the boarding houses of newly arrived refugees, and on foreigners' shops and lodgings. In the worst incident, last year in Hamburg, two people were killed by a Molotov cocktail thrown into a hostel for Vietnamese seeking political asylum in West Germany. But most of the hostility is verbal:



Hannover Fair: 9 Variations on Theme of Exporting Engineering

West Germany's "fair of fairs" began in Hannover April 1. The fair's overall theme is the nation's major export industry, engineering. Nine events support the theme. Representatives from more than 5,600 companies as well as

more than half a million visitors from as many as 100 countries are expected. Individual fairs range from heavy industrial engineering and the construction industry to electrotechnology and the latest in data communications.

'Unemployment, rising steadily, reached 1.3 million (5.6 percent of the working population) in February, and with the growing number of jobless has come an increasing resentment of the fact that non-Germans hold some 2 million jobs in the Federal Republic. Such resentment tends to overlook the fact that many of West Germany's industrial assembly lines and municipal services could hardly function today without foreign workers.'

Newspapers and politicians receive a steady stream of crank letters asking such questions as, "How long can it go on? We are not the dustbin of the world."

The idea that Germany is being swamped by uncontrolled immigration has been strengthened in the past year by the surge of "economic refugees" to the Federal Republic.

Thousands of people from Turkey, India, Africa and Asia have sought to enter the country by exploiting the very liberal political asylum laws.

Abuse of the political asylum system has inflamed emotions regarding foreigners, but it has also served to obscure the real problems that exist for millions of non-

Germans living in the Federal Republic.

Foreign ghettos have formed rapidly in the poorer quarters of West Germany's major cities, and many Germans find it easy to make the foreigners scapegoats for inner-city problems of poor housing, rising crime and falling school standards.

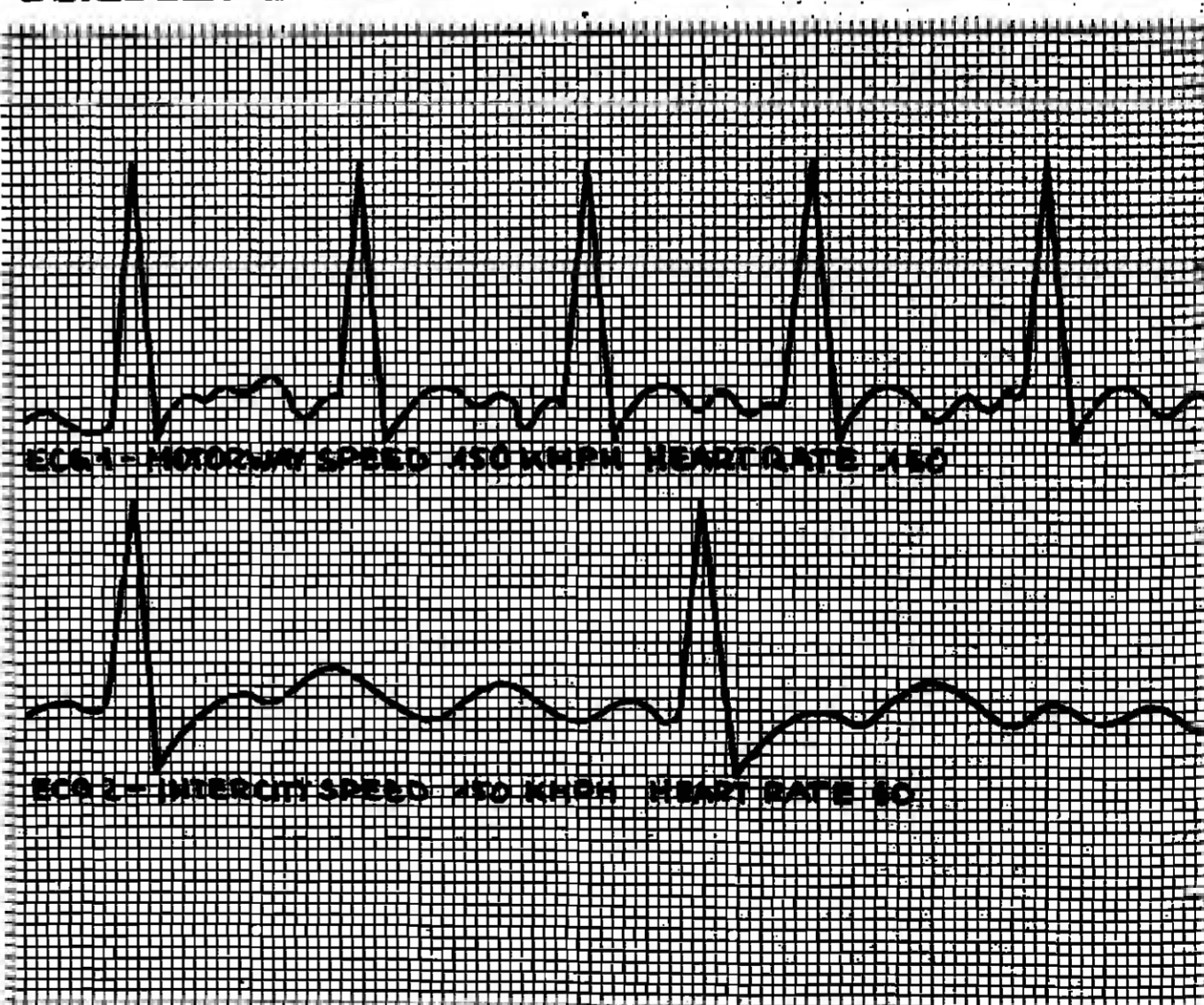
For many years, government policies toward foreigners were hostile and aimed at making it difficult for them to settle long stays in the Federal Republic.

Regulations have been somewhat since 1978, but permission to stay indefinitely still has on several factors, such as lack of unbroken time that one worked, knowledge of the German language, adequate living conditions for the worker and family, and whether children school age have actually been in school.

A report from the Institute for Economic Research makes it clear that a wish to integrate foreign populations is being expressed, facts hardly correspond to hopes.

"The situation today is characterized rather by the formal ghettos, by under-privilege, a part by a lack of willingness on part of both Germans and foreigners to integrate," the report says.

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If you think this is an advertisement against the car, you've got it quite wrong. It's much more an advertisement for your heart.

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Industry: A Challenge of the Times

(Continued from Page 75)
The balance of payments in the red and exports tighter, will industry again rise to the occasion as it did after the first oil shock of 1973? Will it exhibit the same resilience against escalating energy prices and labor costs and the high international value of the mark?

...both Mannesmann and Siemens report expanding export orders. Siemens' 19-year-old orders last year was actually divided between export orders.

...is not likely to push through the year. In the longer term, West Germany is expected to benefit from the capital requirements set by the energy crisis.

...it has given to the energy crisis a boost in research institutes, demanded taxation, devaluation and other benefits from government to encourage change as well as the design of alternative energy.

...changes within industries are already taking place. The chemical industry is expected to benefit from its cooperation with the Japanese manufacturer Hitachi.

...Mannesmann's 50 percent of equity in the processing firm Kienzle and the electrical firm Hartmann and Brann.

...and Genewerk's acquisition of a computer company Tripler are examples of major branching into industries.

...industry diversifying. Too, also are significant interchanges taking place, particularly in the steel industry, whose uncertain.

...Thyssen, Krupp and Mannesmann have been diversifying of steel by building up engineering and trading divisions by acquisitions.

...Thyssen and Krupp have grading their steel production now converts one of its total crude steel into a profitable special steel. It is the world's largest.

...is now a 61-percent order in the aircraft firm of Flugwerke, which split the Dutch manufacturer last year.

Now that the economy is stagnant, the balance of payments in the red and exports tighter, will industry again rise to the occasion as it did after the first oil shock of 1973? Will it exhibit the same resilience against escalating energy prices and labor costs and the high international value of the mark?

Comparative Hourly Manufacturing-Industry Labor Costs on DM Basis

COUNTRY	TOTAL LABOR COSTS	AVERAGE HOURLY RATE	*FRINGE BENEFITS PER HOUR
Belgium	21.53	12.41	9.12
Sweden	21.34	12.95	8.41
The Netherlands	21.18	12.07	9.11
West Germany	21.14	12.46	8.68
Switzerland	20.62	14.22	6.40
Denmark	20.29	14.80	5.49
United States	14.95	12.24	4.71
Italy	15.25	7.33	7.92
Canada	15.05	11.71	3.34
France	15.05	8.41	6.64
Japan	11.77	9.69	2.08
United Kingdom	10.20	7.85	2.35
Ireland	8.98	6.96	2.02
Greece	6.25	4.11	2.14

Institut fuer Weltwirtschaft an Kiel University

*Fringe benefits include sick and holiday pay, pension provisions, etc. They cover the cost of such benefits to the employer and not, as in the case in Britain, for example, state benefits paid out of government revenue.

Rise in Labor Productivity in Selected Countries

(Estimates provided by the Bundesbank, West Germany's central bank.)

AVERAGE ANNUAL % RISE PER PERIOD	GERMANY	U.S.	FRANCE	U.K.	JAPAN
1961/1964	+4.3	+3.0	+5.0	+2.4	+10.6
1964/1969	+4.7	+1.9	+4.5	+2.5	+9.3
1970/1973	+4.1	+1.4	+4.9	+3.6	+7.9
1974/1979	+3.1	+0.1	+3.2	+0.8	+3.4



A CENTER IN BERLIN — West Berlin's International Congress Center, surrounded by its exhibition grounds. The center's 80 halls can handle conferences of up to 5,000 participants. The center is important to West Germany's business life.

Outlook: Weathering New Problems

(Continued from Page 75)

forecast, based on a wide-ranging poll of company views, said an upturn is not in sight for at least another six months, and hinted it might take still longer.

Bonn officials said in January it was the government's job to improve medium-term prospects this year and return the economy to growth.

The duration of the recession is of greater concern than its depth, they said. But statements repeating the formula "second-half upturn," it is suggested elsewhere, are beginning to sound like wishful thinking. The prospects of continued high interest rates in the wake of U.S. President Ronald Reagan's economic package and tight Bundesbank credit policies will not make the government's task any easier.

Expectations for an upturn at any point this year are based on several conditions, and it is still far from clear that they will be met. These include an end to the international recession and, specifically,

no further turmoil in the oil markets. Energy costs in West Germany rose 30 percent last year and the burden remains heavy in 1981 because of the mark's weakness. From the domestic angle, the major condition in this situation is for moderate wage settlements in the current round in order to avoid a collapse in companies' investment planning.

Inevitably any discussion of long-term growth prospects returns to the energy outlook. The IFO institute commented that economic growth in West Germany will always be at risk so long as the country maintains its heavy dependence on imported oil. Additional price rises for oil, highly likely, pose the most serious threat to growth, the IFO said. The only solution is a strategy whose emphasis is "Weg vom Oel" ("away from oil").

Such an approach would provide opportunities for lowering the unemployment level. Investments would be needed in additional energy-saving projects and in ere-

ation of low-energy-consuming products, IFO said. However the strategy is suffering from a powerful domestic anti-nuclear lobby that has severely held up investment in developing nuclear power, and has prevented the sought-after reduction in energy imports needed in the fight to cut the payments deficit.

Turning to the longer-term effects of falling growth in the domestic economy, the RWI institute in Essen said a process of permanent de-industrialization had been taking place in West Germany since 1973. An institute economist said declining growth rates had hit the industrial sector exclusively. Industry had reduced the number of its workers by 1.4 million since that year, while new jobs were created almost entirely in the public sector or branches depending on it. The number of state employees rose 2 million from 1960 to 1978 while the overall number of employees in West Germany was scarcely changed.

Contrary to the views of the Kiel

Institute, which viewed the growth of the service sector positively, Essen's RWI sees production of goods as the base of the German economy. "The country cannot pay for its oil imports with services, but only with output from the industry sector," RWI said.

So far as other policy solutions to the growth problem, the institutes jointly oppose government measures to stimulate the economy or employment. They favor instead an easing in interest rates. Government subsidies are criticized, and it is noted these have shown stronger growth rates than the GNP, although spending on technology and regional outlay is seen with relative favor. Removal of largely bureaucratic obstacles to investment in energy, communications, transport and housing is urged as a means of relieving unemployment.

But these and other proposals cannot dispel the doubts about a "second-half upturn" and growth prospects beyond. West Germans may have to wait a while for the outlook to become more cheering.

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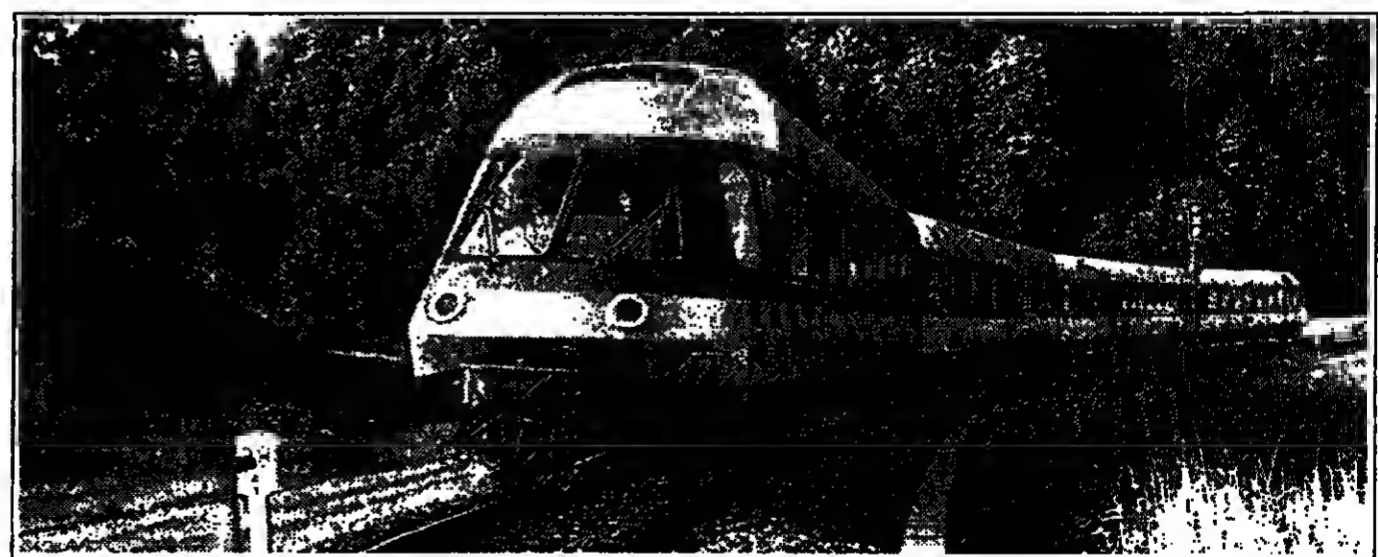
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The European Businessman Readership Survey 1980

Coverage	
Title	Federal Republic of Germany
Frankfurter Allgemeine Zeitung	58%
Handelsblatt	46%
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Source: European Businessman Readership Survey 1980 by Research Services Ltd., sponsored by Financial Times • Berlingske Tidende • Business Week • Frankfurter Allgemeine Zeitung • Harvard Business Review • International Management.

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Weapons Industry: A Reputation for Quality

BONN — "If we don't sell them, someone else will. So what is the point to a ban and our 'holier than thou' attitude?"

The products are modern, sophisticated military weapons — tanks, armored vehicles, howitzers, submarines, frigates, combat aircraft, helicopters. West German industry now produces about 20 billion Deutsche marks worth of them a year.

And the comment is one heard with mounting frequency in those government and industry circles keenly conscious of the conundrum that West German military hardware is in global demand because of its reputation for technical excellence, but is under a self-imposed export restriction.

To sell or not to sell, that is a question that has become acute in the spring of 1981, largely because of an interest on the part of a number of countries in West German tanks and armored vehicles. There is, first of all, Saudi Arabia's tentative request for some 300 Leopard II tanks from Krauss-Maffei and possibly up to 2,000 other armored track vehicles. This was followed by a Malaysian inquiry last January regarding the purchase of 103 Marder type personnel carriers and 530 Condor armored cars from Thyssen-Henschel. In addition, Chile has placed an order for two small submarines.

The decision to sell is up to Chancellor Helmut Schmidt's and Foreign Minister Hans-Dietrich

Genscher's left-liberal coalition government of Social and Free Democrats (SPD and FDP). The export of arms is strictly regulated by constitutional restraints and the 1961 weapons export law, amended in 1971 and 1978.

The government is reappraising those restrictions, largely because of the Saudi Arabian request. In doing so it is being forced to tread gingerly through a political and economic minefield.

Opponents and proponents of a relaxation of Bonn's self-imposed export restrictions are to be found not only in the SPD and FDP but in the opposition Christian Democratic party (CDU/CSU) and in trade union and industry circles. Indeed, it is hard to find another

issue hereabouts that crosses as many party and interest-group lines, or one where the arguments being proffered pro and con are quite as emotional and pregnant with far-reaching diplomatic, geopolitical and economic ramifications.

Postwar Sensitivity

The ban is the result of postwar sensitivity to Germany's role as the chief aggressor in two world wars and the reputation of German industrialists as "merchants of death."

The 1961 law is one of the world's most restrictive measures dealing with the sale of weapons to foreign countries and areas of tension. For all practical purposes —

though there have been some notable exceptions of late — it limits the export of West German military hardware to other NATO countries and nations that are clearly allies, such as Australia and Japan.

But when it was enacted, it was a moot law, for West Germany no longer had an arms industry after wartime destruction and postwar dismantling.

At the time, the Bundeswehr, Bonn's new army, was a scant six years old and, just as today, had no reason to exist other than as an integrated adjunct of NATO. Originally it had been equipped with surplus hardware from U.S., British and French arsenals. When the time came to modernize and replace that first generation of weapons, arrangements were made to outfit the Bundeswehr primarily with arms and weapons systems assembled and produced locally on Allied franchise and license. The most memorable example was the F-104 Starfighter, more than one-fourth of which have crashed since local production of the plane began in the early 1960s.

Lingering Fear

The fear of Germany's once mighty war machine and military industrial complex lingered in the minds of many, not merely in Washington, London and Paris, but also in Bonn. They wanted a "yes, but" army — a force that would alleviate the Western defense burden but one that could never again become an instrument to threaten or break the peace.

Quietly and step-by-step, however, that army developed into the most effective in Western Europe, and along with the transformation came the gradual change in the West German arms industry.

The franchise and license agreements turned into joint ventures and cooperative projects with French and British industry.

The West German manufacturers began assuming the leading roles in the various consortiums, and ultimately they struck out on their own with competitive designs and development projects.

To be sure, by international comparisons, the West German arms industry is still a gnome. As a weapons smithy, the Federal Republic today ranks fifth in the world — behind the U.S., the Soviet Union, France and Britain — and the gap between fourth and fifth place is enormous. A scant 300,000 people — little more than one percent of the total labor force — are employed in arms manufacturing of any kind, and the industry's sales volume, including exports, accounts for but 1.3 percent of the gross national product.

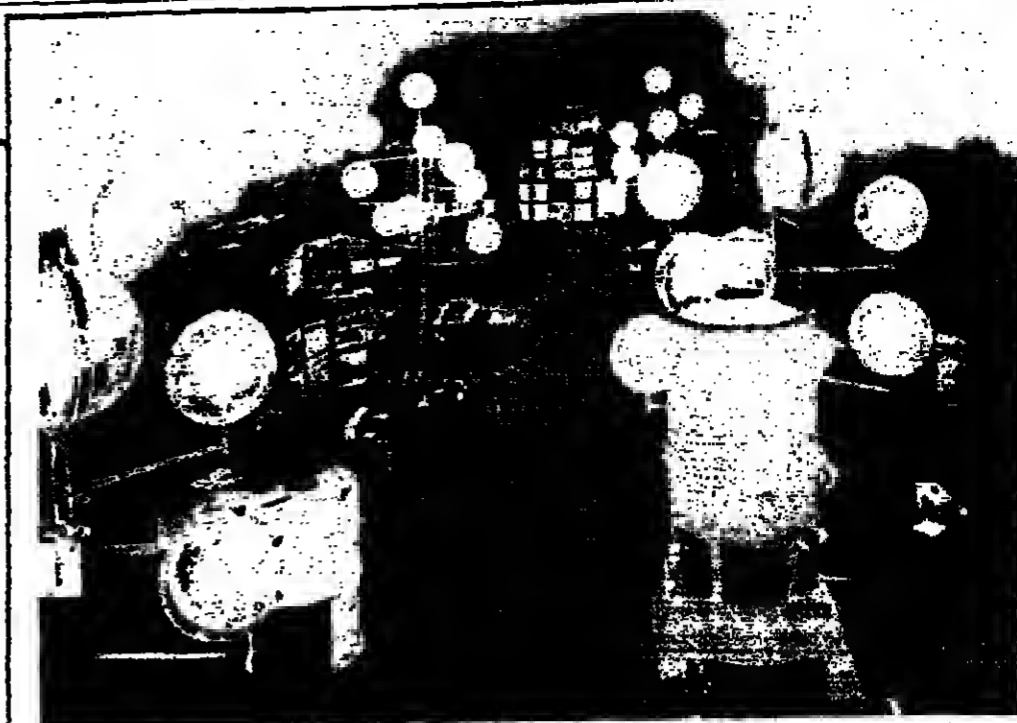
Even the giants in the field are relatively small by international standards, and if not, then military contracts account for only a fraction of their activity.

Leaders in Field

The two largest in terms of total sales derived from arms production are Siemens and AEG-Telefunken, both makers of radar equipment, aircraft and ship navigational systems and firing control devices. But for both, defense work represents less than 10 percent of sales volume. Next comes the aerospace conglomerate of MBB-VFW, makers of military aircraft, helicopters and missiles, for whom arms making is a DM2-billion business, representing 60 percent of gross volume.

Krauss-Maffei, maker of the Leopard and Gepard tanks; Rheinmetall, the munitions and cannon manufacturer; and Motoren-Turbinen-Union, producer of aircraft, tank and ship engines, all have sales of less than DM1 billion each.

But such comparisons understate the actual worth and potential of the West German arms in-



A NATION'S TECHNOLOGY ON DISPLAY — A view of the Krupp Pavilion at the Hannover Fair. The giant Krupp concern is one of the leaders in West German technology.

dustry, whose reputation for technical excellence and systems performance more than compensates for what it may lack in size.

Like few others, West German weapons today are internationally popular and in demand.

The Leopard I tank, regarded as "the best in the West," is now being superseded by the even hotter Leopard II, which is said to out-perform all currently deployed Soviet armor, including the awesome T-72, as well as the new main battle tanks being developed by the United States and Britain. Its smooth-bore 120-mm gun, made by Rheinmetall and accepted for purchase by the U.S. Army for installation on the U.S. XM-1 tank, is judged to be the world's most accurate.

Top Fighter Plane

There is the new supersonic, multipurpose Tornado jet, a joint British-Italian-West German design, most of it German, which is now going on the line to replace the Luftwaffe's Starfighters and Phantoms.

Two anti-tank missiles, code-named Milan and Hot, and an anti-tank system called Roland, are considered the most advanced and sophisticated in the world. They are a joint development by France's Aerospatiale and Munich's Messerschmitt-Boelkow-Blohm (MBB).

From helicopters to scout cars, from howitzers to rifles and sub-machine guns, West German weaponry now is synonymous with technical perfection and high performance, though none of the hardware has been tested in battle.

But given the Bundeswehr's size, rivalries within NATO, and other factors, there are natural market limitations to this burgeoning industry, heightened by Bonn's self-imposed restrictions on export.

Pressure to lift or modify those restrictions is hardly new, and the arguments put forth by proponents are familiar.

Besides creating and preserving jobs — a weighty suggestion at a time when unemployment is at the 1.4 million level — there is the contention that more exports would ease the strain on the West German military budget. The Bundeswehr could reduce the per-unit price of new weapons and systems.

Leverage of Power

Moreover, it has been suggested, arms trading would provide a leverage of power that would enable Bonn to maintain international credibility and wield global influence beyond its role in NATO or its position as an "economic giant."

The counterarguments are no less familiar. They range from the historical and moral considerations steeped in Germany's past to the argument that enlarging the arms industry's capacities will merely create a growing, self-perpetuating industrial force that ultimately would dictate foreign policy decisions. The prospect of creating jobs, it has been argued, is appealing. The danger of layoffs in an arms industry grown too large for defense and policy needs is not.

Thus far, over the years, the counterarguments have prevailed. They were bolstered by the legal restraints and Article 26 of the West German constitution, which prohibits arms "tending to disturb peaceful relations between nations" and "preparation for aggressive war," as well as the "manufacturing, transport or marketing of weapons," except by government permission.

Potential Customers

Various potential customers, including Iran under the late Shah and the People's Republic of China, have been turned down, much to the chagrin of the West German arms industry.

Which is not to say, however, that West Germany has not exported at all.

Between 1975 and 1979, according to Stockholm's International Peace Research Institute (SIPRI), the Bonn government's security council (made up of the chancellor and the foreign, defense, economics, finance and interior ministers) approved nearly DM6 billion worth of arms exports. Some 40 percent of the equipment went to non-NATO countries, primarily Australia, New Zealand, Japan, Switzerland and Sweden.

There have also been some embarrassing cases of arms being exported via third-country channels in apparent violation of the government's intent, of weapons going to areas of tension such as Turkey and Greece because they are NATO allies, and to areas that became tense.

Thus, in 1977, the Bonn government agreed to the sale of two small submarines to Argentina by the Thyssen conglomerate's North Sea Yards.

Final User Sales

A year later, Argentina was on the verge of war with Chile because of the Beagle Channel dispute. Now Bonn is under pressure to approve export of two submarines to Chile to preserve a balance in the area, despite strong domestic opposition to the regimes in both countries.

Many West German arms also reached Third World countries, some of them in deep conflict with neighbors, because Bonn has been unable to enforce the "final user" clause that must be written into all contracts to ensure against weapons being re-exported.

There are no limits, for example, on the sale of arms to Italy. But Italy, not bound by West Germany's strict rules, can re-export the hardware to the Middle East or the Gulf. In 1978, for example, the Italian franchise manufacturer of the Leopard tank, called the Lion there, sold 210 of them to Libya.

Bonn also has no control over the export of weapons by West Germany's partners in joint ventures and consortiums. Thus, two years ago, Euromissile, the jointly-owned subsidiary of MBB and Aerospatiale, sold 1,000 Milan and anti-tank missiles to Syria.

Yet, the under-the-table and extra-legal deals notwithstanding, West Germany's share of international arms selling has remained

insignificant thus far. By weapons account for 3 to 4 percent of U.S. and Soviet annual exports and more than 1 percent France's and Britain's, in Germany they represent a two-tenths of one percent.

Saudi Request

What has brought the entire issue into the limelight now is a tentative request from Saudi Arabia.

Not only is Saudi Arabia a link in Middle East security, it is a major creditor of West Germany and supplies nearly 30 percent of West Germany's oil. Firms, among them Mr. Schmidt and Mr. Genscher, argue that the circumstances, the Saudis are entitled to "special considerations."

Those opposed to a deal tend that it would not only Israel, a country to which Germany, for reasons of the east, has a "special obligation" but that it would open floodgates to "special considerations" for potential customers ultimately undermine the policy.

Opposition is by no means confined to the militant left wing. Mr. Schmidt's own party, the FDP, there is also a vociferous by, being spearheaded by no less than Wolfgang Mißbach, the CDU/CSU top, there is a faction opposed to relaxing and expanding the arms trade.

Although I.G. Metall, the West German steel and workers' union, is unequivocally opposed to a relaxation of restrictions or to using arms production as a means to secure or more jobs, a "working group" shop stewards from arms factoring plants has been change in policy, in sharp contradiction to the views of the leadership.

Divided Opinions

Even in industry there are divided opinions.

Thus, Otto Wolff von Kronberg, the president of the main Chamber of Industry Commerce, cautioned against using arms-manufacture as an economic stimulant, means to improve the employment situation and West Germany's port profiles.

On the other hand, Mr. Mißbach, a more flexible interpretation of the law and the "area of tension" is in order. Whether that re-interpretation and reassessment of policy is possible in the near future is doubtful, however.

"For the time being," Schmidt said recently, "there is the prospect of obtaining a treaty or consensus for a clear policy, not to even mention a scale agreement with Saudi Arabia."

But if and when Bonn change its position, it will find dearth of customers waiting door.

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Bonn's Role In the NATO Alliance

By Lothar Ruchl

BRUSSELS — When West Germany was re-armed by mutual if tacit consent in 1955 in order to bolster Western defenses and shield France, Belgium, the Netherlands and Britain, it was obvious that the internal equation of the North Atlantic Organization would gradually change.

The importance and influence of the new ally grew and Germany became one of the three major partners — with the United States and Britain — in all decisions for the defense of central Europe. Britain and France remained the privileged partners of the United States in European affairs, the alliance and the

West German governments nor public opinion, aspired to become the partner of obvious importance but no great ambition for leadership. Bonn's policies were directed at the goal of "alliance within the Western alliance and partnership without domination." At the same time the unsolved "German question" put the Federal Republic in an incomparable situation of pressure. The political situation matched the geographical situation: West Germany was the central confrontation between East and West in Europe — in political as well as in military terms. West Germany today remains the main garrison of the NATO "shield forces" and deployment area for

Behind all Western policy of three decades: The 'German Problem'

The unique situation associated with the West German military contribution to NATO and the international importance of the German industrial economy brought about the social relationship between the United States and the Federal Republic as the French-German "entente cordiale" of the 1960s; both became basic features of the European situation and of the make-up of the North Atlantic alliance.

An Impossible Goal

Meanwhile, all Western policies have had to be shaped in accordance with the insoluble "German problem," consisting of the claim of the German nation to national reunification, the impossibility for the West to reach this goal in the face of existing Eastern resistance. The contradiction in Western policy toward the Soviet Union and Eastern Europe inherent in the vision of West Germany to NATO on equal terms inhibited direct relations with the East. There had been little enthusiasm in Western Europe for German reunification at the best, but when it became apparent in the mid-1960s that the issue stood between Europe and détente, the pressure on Germany began to build in the West as well.

Change took place in West Germany's situation: From a defender of the West, holding the front line and blocking the advance of Soviet political penetration toward the West, the Federal Republic was becoming an obstacle for accommodation. The East, Berlin stood out not only as a testament to the "commitment to freedom in the midst of Soviet-occupied Europe" but as the symbol of Western vulnerability. At the same time the German military contribution to the defense of Western Europe increased to unwieldy proportions. In an and Polish eyes the Federal Republic had grown into the not only a major American ally in Europe and a dominant power in Western Europe's economic community — as well as in trade and the international industrial-technological community — but into the dimensions of a new military-industrial power center of Europe. It was natural for West Germany to become the object of Eastern political pressures, offers and threats.

1967 then-foreign minister Willy Brandt used the formula *Sammlungspolitik* or "détente on degrading levels." He put Germany on the highest level of tension with the East and placed it most directly exposed to Soviet pressures and military threats, then sought to correct this situation in favor of pan-European and German security within the framework of the West.

Basis for German Policy

The success of this policy of the 1969-1975 period is the basis of West German policy in Europe and within the NATO area: the German partner ceased to be a political obstacle to West détente and a liability for Western security policies, gained international influence as well as freedom from pressure

is on the basis of this particular West German approach to security and stability of East-West relations that the foundation of the German position in NATO must be regarded. The Federal Republic remains the central front-line country of West Europe with the bulk of the ready NATO forces for the defense; it is the main deployment area for NATO theater forces with short-range weapons and it would become the most battlefield of Europe in case of war.

It is only natural that West German policy toward the east is coupled with security. West Germany is in favor of a strong security with unbroken cover by escalatory means of deterrence on Western side, providing for the solidarity, risk-sharing and strategic unity of the North Atlantic alliance, and in fact some control and mutual security arrangements between NATO and the Warsaw Pact.

It is double approach governs West German alliance and foreign policy. It is expressed in the active and lasting German international policies and strategies of equilibrium or the "balance of power." Another aspect of this approach is restraint in dealing international crises and a concern for reliability and accountability of national policies within the alliance and vis à vis other states, in particular those of the Warsaw Pact. The Federal Republic has always fulfilled its commitments to NATO, even economic difficulties have put severe strain on the means.

Stable Contribution

At present the German contribution to NATO is 50 percent of land and ground-based anti-air defense forces, 30 percent of total combat aircraft, 70 percent of the naval forces and 60 percent of the land-based naval air force assets in the Baltic. The German army provides 36 full-strength NATO standard brigades and 12 divisional combat support formations as well as additional combat support and supply units for three army plus territorial forces and equipment for a wartime army of more than one million men who can be mobilized and ready for commitment within three days.

In addition to the allied forces stationed on German territory, the United States — and under negotiation with the United States — to provide infrastructure, transport facilities and support areas for another U.S. army corps and more U.S. air units, to be deployed from the United States as rapid reinforcements. This German "host nation support" will be a further contribution for the allied defense of Western Europe and of need. German participation in the NATO programs for the improvement and modernization of theater nuclear forces used not only on financial support and investment in modernization, training, combat stocks and military organization, but on the additional use of West German territory by allied land and weapons.

In this context, particular significance is attached to the German part in the deployment of new American medium-range out-delivery systems under the December 1979 NATO program. The Federal Republic would receive a major part of the envisaged weapons in addition to the nuclear arms already in Germany. I have to bear the brunt of Soviet pressure and political ultimatums arising from the decision, if the envisaged arms control fail. Human attitudes in the alliance as in East-West relations in the West will remain measured, with adequate contributions to both security and arms control on the basis of balanced options to ensure security. German foreign policy will continue to work for a reduction of tension and risk of conflict, but it will remain firmly attached to the North Atlantic alliance and the defense of Western Europe, even under the constraints international economic situation has begun to place on expenditures and other public spending.

Lothar Ruchl is a former correspondent in Brussels for the DF West German television network.

East-West Relations: Any Changes Are Quickly Felt

BONN — "Any change in the climate of the East-West conflict immediately and profoundly affects the international position and foreign policy of the Federal Republic."

That is how a West German historian described the difficulties experienced by the administrations of Konrad Adenauer and Ludwig Erhard in the 1950s when their own hard-line attitudes stood in the way of the incipient mood of détente that was starting to thaw the Cold War between Washington and Moscow.

It was a time when Bonn's intransigence and adherence to the positions and slogan-like formulas of the Truman and Eisenhower eras became an increasing irritant and foreign policy obstacle to Presidents John F. Kennedy and Lyndon B. Johnson.

Reverse of Axiom

Today the axiom still applies, but in reverse.

As tension has mounted between Washington and Moscow, it is Chancellor Helmut Schmidt's and Foreign Minister Hans Dietrich Genscher's continuing pursuit of Ostpolitik and détente that is a source of irritation to Bonn's main allies — the U.S., France and Britain.

Just as Adenauer and Erhard were maneuvering themselves into foreign policy isolation in the 1950s, so the Schmidt-Genscher coalition of Social and Free Democrats (SPD and FDP) now seems in danger of political exclusion from the mainstream of Western policy today — unless that policy changes.

It is like saying that when U.S.-Soviet relations catch cold, regardless of who is to blame, Bonn comes down with pneumonia.

And it is a fact of life to which the Schmidt-Genscher government has been awakening slowly and reluctantly.

'Political Dwarf'

What is happening today reconfirms in fact what Bonn in the past has either claimed or lamented, depending on the situation. Namely, that West Germany is "an economic giant, but a political dwarf."

Popular legends notwithstanding, Bonn's pursuit of Ostpolitik and improved ties with East Germany, the countries of Eastern Europe and even the Soviet Union itself were not the driving force behind but the consequence and beneficiary of the Nixon-Kissinger policy of détente.

The pursuit of that policy in a changed global situation has become increasingly difficult — and not only for Bonn but for the East European countries as well. They, too, cannot conduct a bilateral "narrow gauge" policy of improved relations and "peaceful co-existence" if Moscow has placed obstacles on the wider-track "trunk line."

As one West German diplomatic source puts it: "The microclimate is dependent on what we call the *Großwetterlage* — the overall climate."

Realities Highlighted

The realities of this were never more apparent than during the past 14 months or so — since the Polish crisis and Ronald Reagan's inauguration.

After the Soviet intervention in Kabul, the Schmidt government attempted to go it alone by pursuing a policy of "divisible détente." The chancellor not only felt that Ostpolitik could still be salvaged, despite the shambles of U.S.-Soviet relations, but he was outspoken in his criticism of Jimmy Carter's unsteady and moralistic stance toward Moscow.

Two concepts dominated thinking in Bonn. Somehow the doors had to be kept open and the dialogue kept going with the Soviet Union. Second, there was no political clout or currency to be won in a policy of "punishing the Kremlin" with trade embargoes or boycotting the Olympic Games.

Thus Chancellor Schmidt, shortly after the Afghan invasion, announced his intention to meet as planned with both Leonid Brezhnev and East Germany's Erich Honecker in 1980.

The motivations were clear. There was, first of all, the domestic political pressure, exacerbated by an upcoming election, to pursue a policy that had become virtually an article of faith since its inception in 1970.

More important, however, were West Germany's special situation and the tangible benefits that détente and Ostpolitik have brought in the intervening decade.

A Grip Border

After all, it shares its borders with two Warsaw Pact countries that bristle with Soviet troops and military hardware, and that frontier is grimly fortified. Moreover, there is the complication of Bonn's special relationship to Communist East Germany and the precarious position of West Berlin, isolated 110 miles inside East German territory. It is a fact of life that cannot be overlooked or ignored. West Germany is the front line.

But Ostpolitik, as conceived by Mr. Schmidt's and Mr. Genscher's predecessors — Willy Brandt and Walter Scheel — had made the fact a bit less gruesome and life at the front more bearable for all concerned.

Its key elements had been the Bonn-Moscow nonaggression treaty, the Four Power agreement on Berlin, de facto recognition of the

Oder-Neisse frontier and the treaty with Warsaw, and the basic agreement with East Germany, tantamount to diplomatic recognition, which opened the way for both Bonn's and East Berlin's admission to the United Nations.

The benefits had been immediate and massive, and they were by no means limited to an upsurge in the trade with the Soviet Union and Eastern Europe that is so vital to the West German economy. More significantly, there had been steady progress in improved access to East Germany and West Berlin for West Germans visiting friends and relatives. Much of the former tension between the two countries had been relaxed and the "Berlin problem" had been defused.

Across the Wall

Thus, in 1979 there were eight million visits by West Germans to East Germany, three million of those by West Berliners to East Berlin, access to which had been virtually barred for a decade since the building of the wall in 1961. Thanks to the accord, people living in towns and villages along the border were able, for the first time since the 1950s, to travel with few formalities to see their kin and friends in the hamlets just on the other side. Private phone calls between the two parts of Germany, thanks to the installation of new lines, have shot up from a few hundred thousand annually a decade ago to more than 17 million in 1980.

Moreover, travel on the four main land routes to West Berlin became virtually routine. There were other potential benefits that went beyond the human factor. The renewed people-to-people contacts, so the Brandt-Scheel Ostpolitik had envisioned, would lead to ultimate German reunification, for, according to its grand design, recognition of two German states existing peacefully would help keep alive the idea of one German nation and people.

Bonn's Ostpolitik now appears to be in disarray ... Bonn's freedom of action is rather clearly and sharply circumscribed by Washington's and Moscow's interests. The more superpower relations become tense, the less opportunity West Germany, East Germany and the other East European countries have to pursue their own policy goals.

Reaction Capital

But much to its dismay, and no doubt Mr. Schmidt's surprise, Bonn soon realized it was still what it had been in the 1950s and '60s: a reaction instead of an action capital.

Various East European officials planning to visit West Germany

suddenly canceled their trips or postponed them indefinitely, apparently on instructions from Moscow. Mr. Schmidt's own visits to the Soviet Union and East Germany were shelved, at least for a while.

It was not until late June that the chancellor finally met with President Brezhnev, and only after France's Valéry Giscard d'Estaing had already done so and discovered, as did Mr. Schmidt, that the Russians were not about to change their policy on Afghanistan.

Though there were no concrete results, the Schmidt-Brezhnev summit did, however, underscore the chancellor's determination to keep open the lines of communication, especially at a time when the United States, immobilized by the Iran hostage crisis and the primary election campaigns, seemed to have no policy at all.

For a while last summer it looked as if West Germany's Ostpolitik, though less dynamic, might get back on the track.

An August summit with Poland's Edward Giersek was planned in Bonn, to be followed a week later by a historic first meeting with East Germany's Erich Honecker near East Berlin.

But then came the Polish strikes. Mr. Giersek canceled his visit and two weeks later was out of power. Mr. Schmidt had played a key role in inducing a consortium of West German banks to give Poland another \$680 million loan, one-third of it backed by West German government guarantees.

Then the mounting Polish crises forced Mr. Schmidt to cancel his planned trip to East Germany.

And suddenly, in October East-West German relations went into a freeze when East Berlin quadrupled — to 25 Deutsche marks a day — the entrance fee that West Germans and West Berliners must pay to visit their friends and relatives in East Germany. Visits dropped off by 60 percent and have remained at that lower level since.

Mr. Honecker's reasons for the rate increase were obvious: to isolate East Germany, 80 percent of whose citizens watch West German television daily, from "subversive" ideas that might spread the "Polish disease."

By late fall and early winter the East-West freeze had hit Germany full force. Indeed, with East Berlin leading the propaganda campaign, Bonn was singled out for interfering in Poland's internal affairs and encouraging "anti-Soviet forces" there, for fomenting the anti-Communist resistance in Afghanistan, for poisoning the atmosphere by

having boycotted the Moscow Olympics and for contributing to a new arms spiral by favoring the development and stationing of Cruise missiles in Western Europe.

Not since the building of the Berlin Wall in 1961 had there been tones as hawkishly strident from the East German leadership.

Then, just as surprising, in January and February the tone became more conciliatory, leaving the Bonn government perhaps even more confused over what course to pursue, especially in the light of the new U.S. administration's more tough-minded position.

At present, Bonn's Ostpolitik appears to be in disarray and virtually nonexistent.

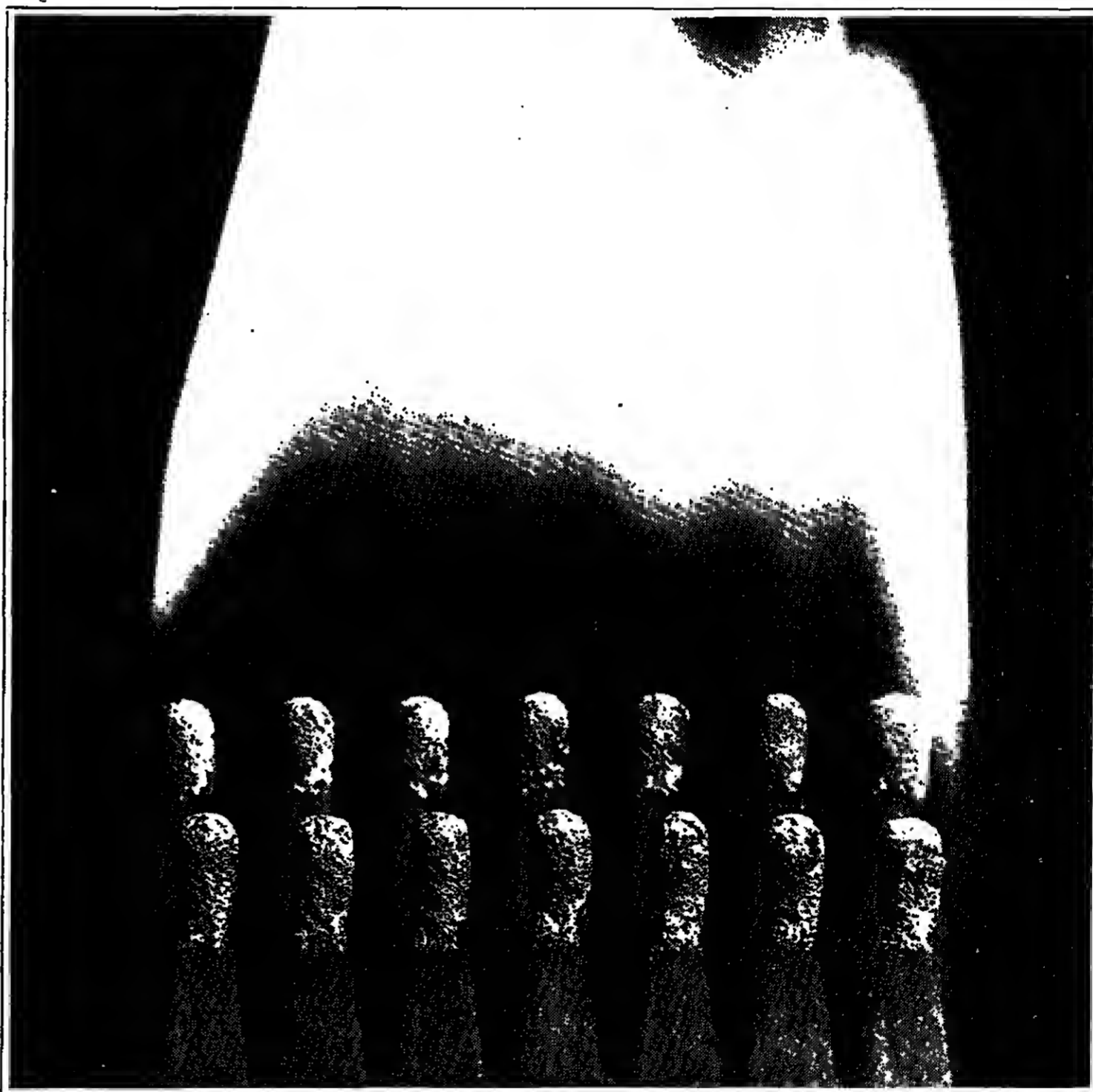
What it demonstrates is that Bonn's freedom of action is in fact rather clearly and sharply circumscribed by Washington's and Moscow's own interests. The more relations between the superpowers become tense and concentrate on security and military aspects, the less opportunity West Germany, East Germany and the other East European countries have to pursue their own policy goals.

In this game, Bonn is perhaps the least free, if only because of the vulnerability of West Berlin, deep within Communist territory and dependent on Allied guarantees and protection.

Thus, increasingly in the months to come, Bonn's Ostpolitik, including its important trade with the Soviet bloc, and Bonn's military and security policies will be determined by developments in the U.S.-Soviet relations.

It is a fact the Schmidt-Genscher government is now starting to realize, no matter how vexing and unpleasant.

— J. D.



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EEC and Its Goal of Integration

(Continued from Page 78)

a period of growing economic difficulties and even serious risks to their economic and social stability.

During this first really critical period since 1974 the West German economy has withstood the pressures of recession and inflation rather well — much better than the French, British, Italian and Belgian economies, a little better than the Dutch, and a little less well than the Swiss. By and large, in spite of all net losses in production, employment, purchase value of the mark and capital, West Germany has done not too badly. In crisis as in normal times the West German national economy has proven itself resilient, adaptable and flexible. But strength, like energy, is a capital sum: if no new resources are added the reserves are consumed and the capital is reduced.

At the beginning of 1981 the West German economy started the annual cycle with a net reduction of 2 percentage points from 1980 — the first recession since the 1950s. In one year, about one-third

of West German currency reserves had been lost in order to finance the foreign exchange deficit, and the public debt at home and abroad had been considerably increased. Nothing in these data indicated a dramatic evolution, but the necessity of a vigorous, continued and well-balanced effort to increase exports in net value under the prevailing conditions and to overcome the negative trend in terms of trade and in capital investments had become evident.

The general condition of Western Europe is more serious than that of the West German economy. In spite of the German deficiencies and lack of energy resources, the EC policies have been reduced to internal transfers of cash for compensation and the agricultural policy has become the critical factor for the internal balance of the community and its budget, since the latter is largely dependent on the results of agricultural activities.

As in the Federal Republic itself, public funds for financing have become scarce and are close to exhaustion in the European Commu-

nity during 1979-80. The votes on the budget, taken by the European Parliament, have added to the certain risk of deficits in 1981, that cannot be covered unless the revenue from the purchase tax of the added value (T.V.A.) can be raised by an increase beyond 1 percent for the contribution to the EC budget funds. Like the national governments, the EC is lacking ways and means permanently, which means that European economic policies cannot be financed as before with West Germany the main financier of the Community. Only last year the German contribution to the interim solution of British net payments into the EC fund, covering a billion DM, prevented a major and possibly divisive financial crisis. The Federal Republic no longer has the means to repeat such assistance.

The deterioration of the mark's exchange value with the dollar and pound reduces the margin of operational maneuver for German monetary and economic policies. The mounting cost of foreign energy further accentuated both the de-

pendency on world trade and on constructive cooperation within the Common Market. The German partner has always been the foremost defender of supra-national interest and mutual assistance within the EC as well as the champion for free trade in the world and open import markets in Europe. This traditional German stand will be reinforced to combat protectionist tendencies toward international competition.

Policy on EC

West German policies in Western Europe sought to keep the EC open both to new adherents — in the past to Britain and Ireland, Denmark, Norway and Greece, at present to Spain and Portugal — and to the world exports at large for political and commercial reasons. The difficult relationship between Western Europe, North America, Japan and the Pacific Anglo-Saxon countries is considered crucial in Germany for the future of the world economy as is co-operation with the developing and oil-producing countries.

Export Finance Tool: International Leasing

MAINZ — International trade has grown enormously with the advent of modern communications systems and more liberal world trade conditions. Export financing has consequently become an increasingly important factor in the mind of sales managers. And one way to overcome the problems of export financing is international leasing.

DAL-International Leasing in Mainz has full and partial subsidiaries in many European countries, which makes the actual application of international plant leasing simple, according to DAL head Heinz Ohlenforst.

Exporters are provided with a portfolio that lists the plant they have on offer, technical details, prices in the currency of the importer and information in the relevant language.

Ohlenforst explained that this working document takes all relevant fiscal and legal provisions into account, and if the client opts for leasing this means cash on the line for the exporter.

In this way, he said, problems involving the strength of competitors, the currency in which the deal is struck, exchange risk cover, the customer's credit rating and his desired

repayment period for the loan, can all be alleviated. But international leasing will not turn a bad-risk customer into a good one, Ohlenforst warned. "The yardsticks for international leasing are the same as for a normal loan," he said.

Benefits for the Customer

One of the advantages of the DAL group's methods is that with so many subsidiaries abroad its representatives can discuss financing with customers in their own home territory, Ohlenforst said. There are numerous benefits for the customer. He is not faced with exchange risks on foreign debt, he can make full economical use of the plant hired, his liquidity is not reduced, an investment can be turned into increased productivity in the shortest possible time, the best and most suitable plant can be hired regardless of the country of origin, and finally good money can be turned to immediate good use rather than remaining tied up for years and recouped only through depreciation, which is subject to erosion via inflation.

Exporters, too, are shielded from the vagaries of the exchange markets as well as price fluctuations, and profitability is enhanced by increased liquidity.

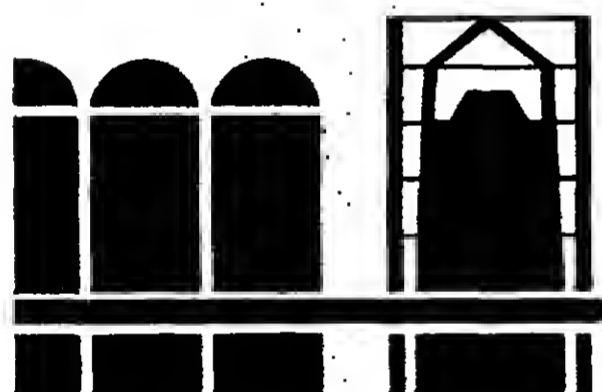
To take full advantage of international leasing, Ohlenforst added, several conditions must be fulfilled. Products should be accurately described and of the same specific nature for all countries where leasing is offered, business should be administered on a centralized basis, and international leasing should be regarded by the leasing company as its prime product.

Ohlenforst said DAL International Leasing (a subsidiary of Deutsche Anlagen Leasing) operates exclusively in the field of international leasing, its stamping ground being in West Germany, France, the Netherlands, Belgium, Luxembourg, Switzerland, Austria, and Italy.

This method of operation is preferable to loosely connected leasing clubs operating with foreign leasing organizations, Ohlenforst said. The companies involved are independent and more concerned with carrying on their business. International leasing, he said, is usually a peripheral matter that must be geared to their domestic interests.

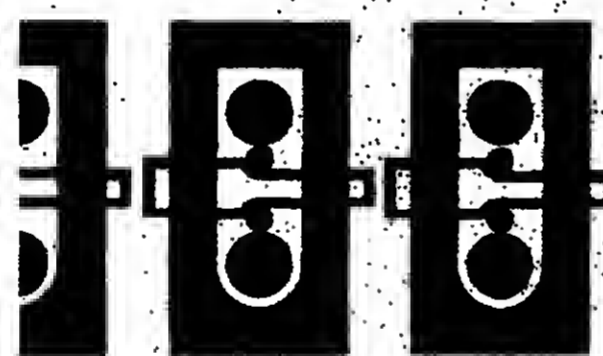
MANNESMANN DEMAG

Machinery, Plant and Systems



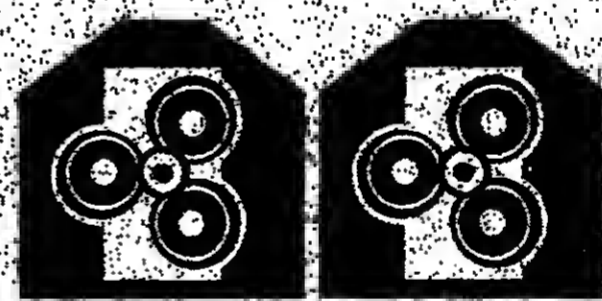
Metallurgical Plant

Integrated plant, blast furnaces, steel mills, continuous casters, electrometallurgical plant.



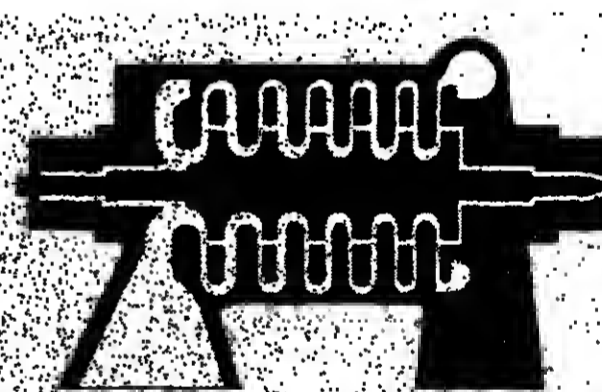
Rolling Mills

Rolling mills for beams, sections and wire-rod, strip and sheet mills, strip processing lines.



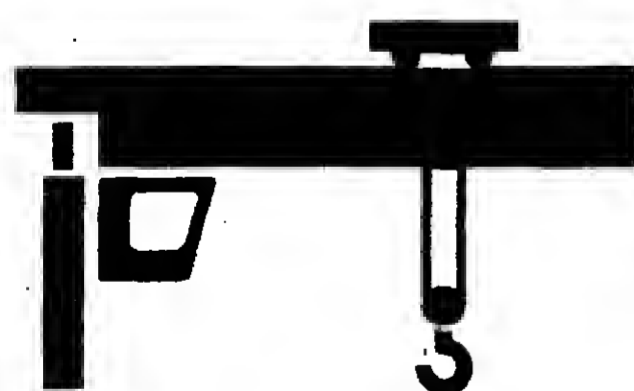
Pipe Making

Plant and machinery for the production of seamless and welded tubes and pipes. Hydraulic presses.



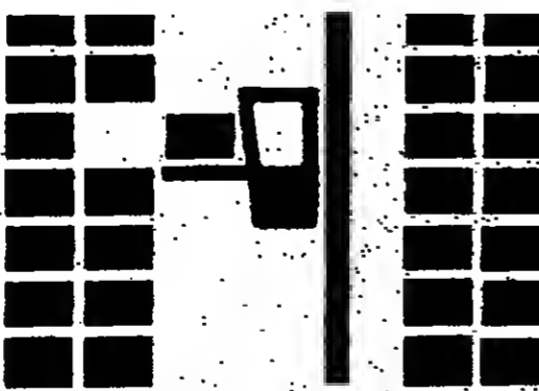
Compressors

Centrifugal compressors and positive displacement machines for air and technical gases.



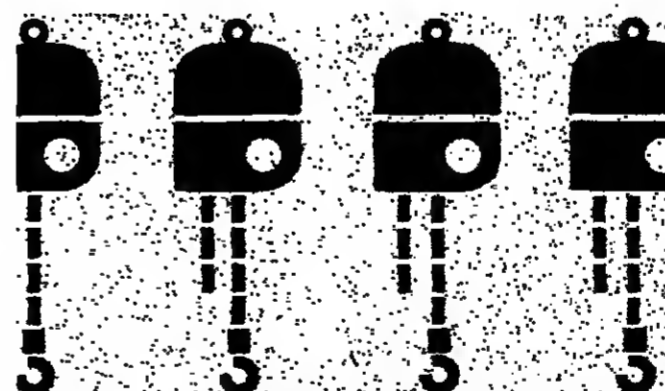
Cranes

Overhead cranes, slewing cranes and jibs, suspension cranes and track systems, and steel mill cranes.



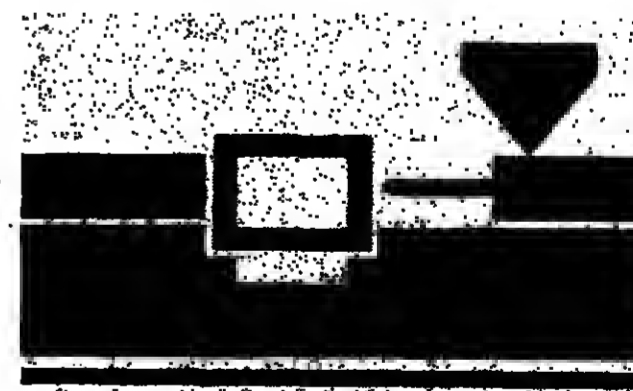
Distribution Systems

Materials handling and warehousing systems, continuous handling equipment, order pickers and rack feeders.



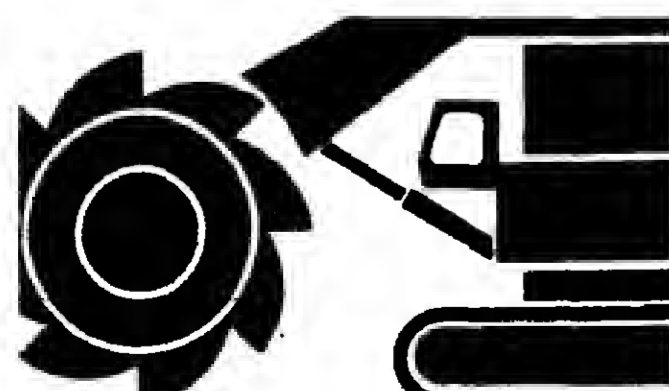
Components

Electric lifting tackle, standard crane components, load lifting attachments, drive and control components.



Plastics Machinery

Machinery and complete systems for injection moulding and extrusion.



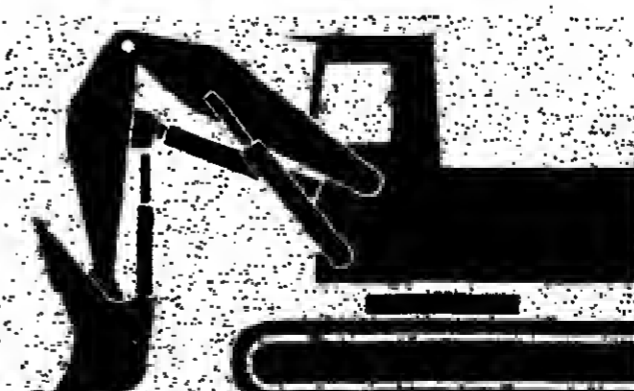
Bulk Handling

Bucket wheel excavators, reclaimers and belt conveyor systems, container handling systems.



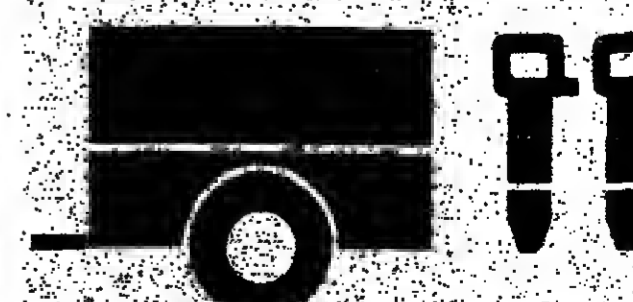
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BUSINESS NEWS BRIEFS

Gets Court Approval on CanDel Sale

YORK — St. Joe Minerals said Wednesday that a federal district court judge has approved its sale of CanDel Oil to Sulphur. Under an agreement with Sulphur, St. Joe will sell the \$460 million, over four-and-a-half times the amount at which it sold the investment on its books, it said.

The court also approved the sale of the company's interest in the Fluor Corp., which has abandoned its previously proposed plan to acquire the company and the possibility of liquidating one of the world's biggest engineering and construction companies. St. Joe announced Tuesday an agreement under which Fluor will buy \$60 a share for St. Joe stock. The terms, totaling nearly \$2.9 billion, are subject to the approval of the Federal Reserve Board and the Securities and Exchange Commission.

St. Joe also announced that it has sold a 50 percent stake in the company to Fluor Corp. for \$45 a share made March 11 by Sulphur & Sons. St. Joe has been fighting that offer, valued at a \$2 billion in cash, as "grossly inadequate."

St. Joe spokesman said his company was evaluating the Fluor offer. However, sources friendly to Sulphur questioned whether it had enough capital to buy St. Joe. Fluor is said to have cash of some \$500 million and would need \$1.2 billion in cash to deal.

Challenges EEC to Make a Case

BOURG — International Business Machines has challenged the authority of an EEC statement of objections to some of its business in a European Court spokesman said Wednesday.

EC Commission accused the company in December of abusing its position in the computer market and invited the company to defend by April 30 before passing judgment.

The accusations detailed against IBM was the inclusion in the computer processors of minimum main memory. But the company said the Commission did not fully comply with all legal requirements. It said the Commission failed to take into account the fact that IBM's main memory was not a standard feature of its computers, but a separate unit that could be added to competitors, the company said. The case has a month to answer IBM's counter-charges.

ti Doubles Profit, Plans Dividend Rise

Italy — Olivetti, a leading maker of office equipment, announced Wednesday that its 1980 net income more than doubled to 50.1 billion lire (\$48.8 million) from 23.8 billion lire in 1979.

The company said it plans a 40 percent rise in its dividend to 140 lire a share on both common and preferred stock. On the 101 million common shares that were issued last July after the company's increase, the company said it will pay a 70 lire dividend.

The company's earnings rose 22.1 percent from 1979 to 1980. The company's consolidated debt at the end of 1980 amounted to 318.7 billion lire, 0.1 billion lire from a year earlier.

h Columbia Raises Bid for MacMillan

OUVER — British Columbia Resources Investment said its bid for Bate Resources subsidiary will increase its bid for 6.2 million shares of MacMillan Bloedel to 56 Canadian dollars cash per share from 46 Canadian dollars.

The company said it had received an offer of the equivalent of 56 Canadian dollars and securities for shares of MacMillan Bloedel.

ese Steel Firms in Brazil Pact

O — Seven Japanese steel firms signed basic agreements to buy 0.1 million tons Brazilian iron ore a year for 15 years from 1983, a pact for the companies said Wednesday.

The pact will come from the Carajas mining project according to the pact signed by state mining company, Vale Rio Doce and the firms Steel, Kawasaki Steel, Sumitomo Metal, Nippon Kokan, Kobe Steel and Nippon Steel.

The pact is similar to a recent agreement by Rio Doce to 10 million tons of ore annually to Western European firms. Rio Doce is planning to develop the Carajas mine in northern Para state. The mine is among the largest in the world at 18 billion tons, and more than 30 million tons a year.

International to Issue New Shares

MON — BOC International is to issue 1.7 million fully paid shares to satisfy a further amount of £2 million that has become payable following the acquisition in 1978 of Software Sciences International.

The shares, which represent an increase of less than 1 percent in the company's issued ordinary share capital, will rank in all respects with the company's existing ordinary shares.

Engelhard Announces Plan for Split-Up

By Steve Lohr
YORK — Engelhard Minerals & Chemicals Tuesday announced a plan to separate the two businesses into two independent, publicly traded companies.

The plan, which would split the company into two separate entities, would result in the company's two main businesses, the mineral and chemical divisions, becoming independent companies.

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which specializes in custom chemicals for industrial use. Last year, these operations generated revenues of \$3.2 billion.

Recently, the industrial operations have grown substantially, though their assets have been dwarfed by that of Philipp Brothers. From 1976 to 1980, the revenues of the industrial operations increased fourfold to \$3.2 billion last year, while profits in the same time doubled to \$66 million.

Trading Revenues Soar
Philipp Brothers is one of the world's largest traders of commodities, dealing in more than 150 raw materials. In recent years, it has benefited from the quickening development of international trade as well as the scarcity of some resources, which has pushed up many commodity prices.

In 1967, when Engelhard Minerals & Chemicals, a fabricator of precious-metal products, merged with Philipp Brothers, the two units were about equal in size. But by last year Philipp Brothers accounted for 89 percent of the total corporation's \$26.6 billion in revenues and 88 percent of its \$532.7 million in profits.

Stock in Engelhard Minerals & Chemicals was trading at about \$45 a share shortly before the company disclosed last week that it

Pension Funds Seen Primed for Stocks

NEW YORK — Private pension funds stepped up their allocations of money for stock investments in 1979 and 1980, raising questions among strategists about just how much more stimulus the market might expect from this sector.

The general feeling once was that any further increase in the percentage of incoming cash these funds dedicate to stocks was likely to be minor.

This perception is changing, however, and the reason goes beyond the strong, steady buying interest demonstrated by institutional investors during the past month. The principal explanation lies in a recent revision of Securities and Exchange Commission data on how the pension funds managed their cash flows in 1979 and 1980.

Buying Potential
The revisions "suggest a potential for an increased level of net common stock buying by this group, in contrast to previously published numbers," says Rudolph Hauser, investment strategist at Oppenheimer & Co., in his latest appraisal of supply-demand forces.

In essence, the SEC data in SEC data portray a less aggressive attitude toward stocks in 1979 and 1980 than was thought at the time and, consequently, a larger remaining potential for new purchases.

Analyzing the revised numbers, Mr. Hauser says net buying of stocks by pension funds in 1979 was about \$6.1 billion, rather than the previously reported \$12 billion. Similarly, net cash flow, or new money

Deutsche Bank Plans Sale Of Nixdorf Stock to Public

HANOVER — Part or all of Deutsche Bank's 25 percent stake in Nixdorf Computer will be offered to the public with the shares to be listed eventually on West German stock exchanges, Deutsche Bank and Nixdorf announced Wednesday.

Nixdorf ranks second to Siemens in the West German computer industry and is one of the few European companies in the sector making money.

The announcement, issued at the Hanover Trade Fair, said the share listing will take place in the next three years. The rest of Nixdorf's capital of 140 million Deutsche marks is owned by the Nixdorf family and company employees.

Nixdorf also disclosed said that it recorded an after-tax profit of 42.3 million DM last year on a 25 percent increase in turnover to 1.57 billion DM. This year's percentage rate of turnover growth should also be in double figures, it said.

The company said it plans to hold the dividend to 8 DM a share on the 1980 results.

The Nixdorf family sold a stake to Deutsche Bank in 1979 to raise cash for expansion. The bank said at the time it acquired the stake that it planned to sell it in 1981.

The company decided to sell the shares to the bank after talks with Volkswagenwerk fell through. The computer company had attributed the failure of those negotiations to VW's insistence that it be allowed to purchase 50 percent or more of Nixdorf's capital.

Nixdorf described a stock exchange listing as a logical move. The company said it is not currently considering a partner in the technology field, but added that the plan to list its stock would make such a step easier should that option become desirable.

In its statement, Deutsche Bank said Nixdorf's prospects as positive. Its export performance has been cited by analysts as one reason for its strong showings, with it ranked as the largest foreign supplier of computers into the United States.

Figures reported in February showed about half of Nixdorf's sales are in West Germany, with 18 percent in the United States. The rest were in other European countries.

The company has also had success with its concept of decentralized equipment — the development of smaller computer systems and terminals that plug into large main-frame computers.

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NYSE Moves Higher as Rates Fall

NEW YORK — Aided by declining interest rates, prices on the New York stock market were moving higher Wednesday afternoon as the Dow Jones industrial average fought off profit takers to stay above the 1,000 level. Trading was fairly active.

The Dow average, which rose 11.71 points Tuesday, was closed ahead 10.7 to 1,014.81.

Since mid-February, the closely watched average has climbed about 70 points and historically encounters selling pressures at the 1,000 level.

Analysts said Chase Manhattan Bank, Bank of New York and Irving Trust triggered some early buying when they lowered their prime lending rate to 17 percent from 17 1/2 percent.

Several other banks followed and the 17 percent prime is expected to become the prevailing rate soon. A few other banks have made the same move over the past two weeks.

Advances led declines three to two as volume expanded to 34.88 million shares from 30.98 million Tuesday.

Investors were encouraged by indications that inflation may ease soon. The government reported farm prices fell 1.9 percent in March and factory orders fell 0.5 percent in February, indicating the economy is slowing.

The Commerce Department said Wednesday that construction spending fell 3.6 percent in February to a seasonally adjusted annual rate of \$252.5 billion after a revised 5.9 percent increase in January.

Originally, the department said construction spending rose 5.4 percent in January.

The February decline left construction spending 1.5 percent above the February, 1980, level.

The investment community was weighing reports that Treasury Secretary Donald Regan told the Senate Budget Committee its was "entirely possible" the administration might accept a four-year 7.5 percent annual tax cut instead of the president's call for a 10 percent yearly drop over three years.

In corporate news, American Can Co. said it plans to seek a buyer for its paper and forest-based assets and to reinvest part of the proceeds in a significant acquisition in a new area.

American Can was the most active NYSE-listed issue, up 3 1/2 to 42 1/2 after an opening block of 330,000 shares at 42.

Kuwait Asks for Oil Premiums

LONDON — Kuwait has asked Gulf Oil and Royal Dutch-Shell to pay a premium on the oil they buy under long-term contract. It is expected to make a similar request to British Petroleum.

The Kuwaiti demand surprised oil industry sources because it disregards contractual obligations, and particularly because it comes at a time when less-expensive oil is abundant on the spot market.

Kuwait may be risking the loss of important customers for its oil as the companies involved served notice that they do not intend to comply with the request. Other producers, such as Nigeria, are

having problems selling their oil at official prices without a premium added.

Oil industry sources confirmed the Kuwaiti request had been presented over the past few days to Gulf Oil, which has a contract to buy 75,000 barrels a day of Kuwaiti oil through October, 1982, and Royal Dutch-Shell, which until last week was buying 225,000 barrels of crude a day.

Industry sources expect that a similar request for a premium will be presented shortly to BP, which takes 150,000 barrels of oil a day.

Kuwait's daily output totals about 1.3 million barrels.

About half is purchased at official selling prices set by Kuwait at \$35.50 a barrel, with the rest sold at a premium of \$5.50 a barrel over the official price.

The Kuwaitis, according to company officials, have not specified how large a premium they would like to add to the long-term official contracts. But over the past few weeks all the companies made clear to Kuwait that they would not renew any contracts that implied the payment of any premiums when the contracts came up for renewal Tuesday, the end of the first quarter.

The Kuwaiti move, in the view of one executive, is an attempt to impose a premium across-the-board on all sales. The proposed new premium would be smaller than the \$5.50-a-barrel charge, but would cover all contracts.

Indonesia Aides Say OPEC Sharply Split on Pricing

NEW YORK TIMES SERVICE
KUWAIT — OPEC representatives are trying to resolve sharp differences among members over Saudi Arabia's proposals for a long-term pricing strategy, Indonesian oil officials reported Tuesday.

The officials, however, held out little hope that the differences would be narrowed before the next OPEC meeting, which is scheduled for May 25 in Geneva. Among the topics expected to be discussed are crude oil price increases and the possibility of reduced production in the face of an oil surplus on the world market.

Differences persist among OPEC members, said Dr. Subroto, the Indonesian oil minister and current OPEC president, who traveled to Kuwait at the invitation of Sheikh Ali Khalifa al-Sabah, the oil minister.

The Saudi proposals were reiterated here Monday by Sheikh Ahmed Zaki Yamani, Saudi Arabia's oil minister, during a one-day visit. Sheikh Yamani called on other OPEC members to approve a plan under which oil supply would be matched to demand while prices would rise slightly every three months, indexed to the West's inflation and economic growth. He said the formula would likely put the price of OPEC oil above \$50 a barrel by 1985.

4 DM Eurobonds Set for April

FRANKFURT — West German banks have approved a program of four Deutsche Eurobonds for April, totalling 600 million DM, market sources said Wednesday.

The central capital market subcommittee for foreign bonds will meet again toward the end of the month to set a further calendar, though one issue for the new calendar has already been discussed, the sources said.

The April calendar gets under way today with a 100 million DM bond for the Council of Europe Restatement Fund. The 10-year issue carries a 10 percent coupon, is redeemable after five years, and is expected to be priced at par.

The second issue, expected on April 7, will be a 100 million DM offering for Finland, the sources said. On April 15, a 100 million DM is scheduled to be launched for Norges Kommunalbank, followed on April 27 by a 300 million DM bond for the World Bank.

The next meeting of the subcommittee will be held on either April 24 or 27. A 100 million DM bond for Sweden may be launched then.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Britain			
Babcock International			
Year	1980	1979	
Revenue	973.0	844.9	
Profits	5.77	25.6	
Per Share	0.059	0.187	
Reckitt & Colman			
Year	1980	1979	
Revenue	728.88	659.08	
Profits	30.4	31.25	
Per Share	0.2174	0.2255	
West Germany			
Dresdner Bank			
Year	1980	1979	
Profits	155.0	207.0	

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The Bank of Tokyo, Ltd.	Midland Bank Limited
Bankers Trust International Limited	Saudi International Bank
Chemical Bank International Group	

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Banco Popular Español, S.A.	National Westminster Bank Group
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Citibank, N.A.	Banco Internacional de Comercio, S.A.
Manufacturers Hanover Bank Limited	Banco Pastor, S.A.
Banco Arabe Español, S.A. (JABESBANK)	Caja de Ahorros y Monte de Piedad de Madrid
Bankers Trust Company	Caja de Ahorros y Monte de Piedad de León
Chemical Bank	Caja de Ahorros y Monte de Piedad de Murcia
Saudi International Bank	Caja de Ahorros y Monte de Piedad de Valencia
Midland Bank Limited	Caja de Ahorros y Monte de Piedad de Zaragoza
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Banco de Vizcaya, S.A.	Caja Provincial de Ahorros de Navarra
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Banco de Roma	International Madrid Bank Limited
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This announcement appears as a matter of record only.

February 1981

Trilateral Commission Debates Auto Issue

By Hobart Rowen

Washington Post Staff

WASHINGTON — Sharp differences among European, Japanese and U.S. officials on how to deal with international trade issues were fully and openly discussed during a three-day session of the Trilateral Commission which ended here Tuesday evening, conference chairman David Rockefeller said at a concluding press conference Wednesday.

The Trilateral Commission — a target of bitter criticism from right-wing and left-wing groups — is a private organization formed in 1972 to identify major problem areas, and offer ideas to handle them, Mr. Rockefeller said. He noted that one especially important result had been to involve Japan more fully in Western European-North American economic dialogues.

On the specific issue of Japanese car exports to Europe and North America, Mr. Rockefeller said that "Americans" at the conference had spoken in favor of some form of restrictions, while the Japanese "naturally were not anxious" to accept a protectionist solution.

Broader Summits Sought

On another key issue, Georges Berthoin, European Chairman of the Trilateral Commission, told reporters that there is "a growing perception" among European officials that "economic summits should not only tackle economic

issues, but broader political issues as well." The future structure of economic summits is expected to be widely discussed in advance of, and at, the seventh summit in Ottawa in mid-July.

It was learned from other sources that the most vigorous protectionist case on autos was not made by any Reagan administration official in attendance, but by Commission member Philip Caldwell, chairman of the board of hard-pressed Ford Motor Co. But concern on going this route was expressed by Martin von Neumann, White House vice president and chief economist of General Motors.

Sources also said that at least some Japanese participants were critical of the extent to which Japanese car producers had been pushing car exports, and one indicated a belief that it was time for the Japanese industry to accept voluntary restrictions.

The Reagan administration still has not formulated a final policy position on the auto question. But a medium-level, inter-agency team is scheduled to go to Tokyo this weekend to begin informal discussions with Japanese officials.

Japanese sources at the Trilateral Commission indicated that there is about as much division between the Japanese Foreign Ministry and the Ministry of International Trade and Industry (MITI) as there is in the U.S. government on how to deal with the tough auto problem.

The future of economic summits was one of the themes of a paper on multilateral issues by Miriam Camps of the Council on Foreign Relations. Although Mr. Berthoin's view that summits should leave more of the economic problems to the International Monetary Fund and similar agencies, and concentrate on political-economic defense issues was broadly endorsed by Takeshi Watanabe, Japanese Chairman of the Commission, it gained only lukewarm approval from Mr. Rockefeller. He said he thought giving additional scope to summits "might sidetrack" other normal communications.

Midwest Problems

Another major paper discussed at the sessions, on Middle East problems, raised the question of how to deal with the Palestine Liberation Organization as a political force. Mr. Rockefeller observed that while the "reality" of the PLO could not be denied, its refusal to recognize the legitimacy of Israel's existence provided little hope that the PLO would gain international acceptance.

Mr. Berthoin added that one good result of the paper and the Trilateral discussion of it was a better understanding by the European side of "the fundamental importance" of the Camp David agreements, and a better understanding by Americans present of the European desire to play a role in the Middle East peace-making process.

At different points during the meeting, the Commission met with Vice President Bush, Defense Secretary Caspar Weinberger, and with Secretary of State Alexander Haig, who hosted the whole Commission at a State Department dinner Tuesday night. Mr. Haig focused on civil rights issues, and then took questions for 45 minutes, those who attended said.

During the wind-up press conference Wednesday, Mr. Rockefeller fielded a number of questions that challenged the role of the Trilateral Commission. To one reporter who asked whether the Commission was not a kind of "shadow world government," Mr. Rockefeller said that "anyone who makes that charge doesn't understand how we work or what we do."

To the criticism that the 300 or so members of the Commission do not include any representatives from the Third World or from less important industrial countries, Mr. Rockefeller said, "We didn't think it would make any sense to have a private United Nations, and we had to have some basis for limiting membership." Third World problems are brought into view through the issues papers that are commissioned, and by invitations to specific persons to attend, he said.

The Commission voted unanimously to extend its existence for another three years. Prior to next year's full meeting in Tokyo, there will be a meeting of a small group of members in Peking at the invitation of the Chinese government.

NYSE Nationwide Trading Closing Prices Apr. 1

Tables include the nationwide prices up to the closing on Wall Street.

12 Month Stock High Low Div. % Yld. P/E 100s. High Low Quot. Close	12 Month Stock High Low Div. % Yld. P/E 100s. High Low Quot. Close	12 Month Stock High Low Div. % Yld. P/E 100s. High Low Quot. Close
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U.S. COMMODITY PRICES

Chicago Futures				
April 1, 1981				
Open	High	Low	Close	Chg.
Wheat (cents per bushel)				
Mar	2.45	2.45	2.45	0.00
Apr	2.45	2.45	2.45	0.00
May	2.45	2.45	2.45	0.00
Jun	2.45	2.45	2.45	0.00
Jul	2.45	2.45	2.45	0.00
Aug	2.45	2.45	2.45	0.00
Sep	2.45	2.45	2.45	0.00
Oct	2.45	2.45	2.45	0.00
Nov	2.45	2.45	2.45	0.00
Dec	2.45	2.45	2.45	0.00
Corn (cents per bushel)				
Mar	1.15	1.15	1.15	0.00
Apr	1.15	1.15	1.15	0.00
May	1.15	1.15	1.15	0.00
Jun	1.15	1.15	1.15	0.00
Jul	1.15	1.15	1.15	0.00
Aug	1.15	1.15	1.15	0.00
Sep	1.15	1.15	1.15	0.00
Oct	1.15	1.15	1.15	0.00
Nov	1.15	1.15	1.15	0.00
Dec	1.15	1.15	1.15	0.00
Soybeans (cents per bushel)				
Mar	1.15	1.15	1.15	0.00
Apr	1.15	1.15	1.15	0.00
May	1.15	1.15	1.15	0.00
Jun	1.15	1.15	1.15	0.00
Jul	1.15	1.15	1.15	0.00
Aug	1.15	1.15	1.15	0.00
Sep	1.15	1.15	1.15	0.00
Oct	1.15	1.15	1.15	0.00
Nov	1.15	1.15	1.15	0.00
Dec	1.15	1.15	1.15	0.00

New York Futures				
April 1, 1981				
Open	High	Low	Close	Chg.
Wheat (cents per bushel)				
Mar	2.45	2.45	2.45	0.00
Apr	2.45	2.45	2.45	0.00
May	2.45	2.45	2.45	0.00
Jun	2.45	2.45	2.45	0.00
Jul	2.45	2.45	2.45	0.00
Aug	2.45	2.45	2.45	0.00
Sep	2.45	2.45	2.45	0.00
Oct	2.45	2.45	2.45	0.00
Nov	2.45	2.45	2.45	0.00
Dec	2.45	2.45	2.45	0.00
Corn (cents per bushel)				
Mar	1.15	1.15	1.15	0.00
Apr	1.15	1.15	1.15	0.00
May	1.15	1.15	1.15	0.00
Jun	1.15	1.15	1.15	0.00
Jul	1.15	1.15	1.15	0.00
Aug	1.15	1.15	1.15	0.00
Sep	1.15	1.15	1.15	0.00
Oct	1.15	1.15	1.15	0.00
Nov	1.15	1.15	1.15	0.00
Dec	1.15	1.15	1.15	0.00

London Metals Market				
April 1, 1981				
Open	High	Low	Close	Chg.
Gold (per ounce)				
Mar	375.00	375.00	375.00	0.00
Apr	375.00	375.00	375.00	0.00
May	375.00	375.00	375.00	0.00
Jun	375.00	375.00	375.00	0.00
Jul	375.00	375.00	375.00	0.00
Aug	375.00	375.00	375.00	0.00
Sep	375.00	375.00	375.00	0.00
Oct	375.00	375.00	375.00	0.00
Nov	375.00	375.00	375.00	0.00
Dec	375.00	375.00	375.00	0.00
Silver (per ounce)				
Mar	15.00	15.00	15.00	0.00
Apr	15.00	15.00	15.00	0.00
May	15.00	15.00	15.00	0.00
Jun	15.00	15.00	15.00	0.00
Jul	15.00	15.00	15.00	0.00
Aug	15.00	15.00	15.00	0.00
Sep	15.00	15.00	15.00	0.00
Oct	15.00	15.00	15.00	0.00
Nov	15.00	15.00	15.00	0.00
Dec	15.00	15.00	15.00	0.00

Cash Prices				
April 1, 1981				
Commodity	Unit	Price	Chg.	Previous
Wheat	bu	2.45	0.00	2.45
Corn	bu	1.15	0.00	1.15
Soybeans	bu	1.15	0.00	1.15
Gold	oz	375.00	0.00	375.00
Silver	oz	15.00	0.00	15.00

Commodity Indexes				
April 1, 1981				
Index	Value	Chg.	Previous	Year Ago
Wheat	100.00	0.00	100.00	100.00
Corn	100.00	0.00	100.00	100.00
Soybeans	100.00	0.00	100.00	100.00
Gold	100.00	0.00	100.00	100.00
Silver	100.00	0.00	100.00	100.00

Dividends				
April 1, 1981				
Company	Dividend	Yield	Previous	Year Ago
Wheat	0.00	0.00	0.00	0.00
Corn	0.00	0.00	0.00	0.00
Soybeans	0.00	0.00	0.00	0.00
Gold	0.00	0.00	0.00	0.00
Silver	0.00	0.00	0.00	0.00

Floating Rate Notes

Closing prices, April 1, 1981

Banks				
April 1, 1981				
Bank	Rate	Yield	Previous	Year Ago
Wheat	0.00	0.00	0.00	0.00
Corn	0.00	0.00	0.00	0.00
Soybeans	0.00	0.00	0.00	0.00
Gold	0.00	0.00	0.00	0.00
Silver	0.00	0.00	0.00	0.00

Market Summary

NYSE Most Active

NYSE Most Active				
April 1, 1981				
Stock	Price	Chg.	Previous	Year Ago
Wheat	2.45	0.00	2.45	2.45
Corn	1.15	0.00	1.15	1.15
Soybeans	1.15	0.00	1.15	1.15
Gold	375.00	0.00	375.00	375.00
Silver	15.00	0.00	15.00	15.00

Selected Over-the-Counter

Closing Prices, April 1, 1981

Selected Over-the-Counter				
April 1, 1981				
Stock	Price	Chg.	Previous	Year Ago
Wheat	2.45	0.00	2.45	2.45
Corn	1.15	0.00	1.15	1.15
Soybeans	1.15	0.00	1.15	1.15
Gold	375.00	0.00	375.00	375.00
Silver	15.00	0.00	15.00	15.00

Standard & Poors

NYSE Index

Standard & Poors				
NYSE Index				
Index	Value	Chg.	Previous	Year Ago
Wheat	100.00	0.00	100.00	100.00
Corn	100.00	0.00	100.00	100.00
Soybeans	100.00	0.00	100.00	100.00
Gold	100.00	0.00	100.00	100.00
Silver	100.00	0.00	100.00	100.00

Odd-Lot Trading in N.Y.

American Most Active

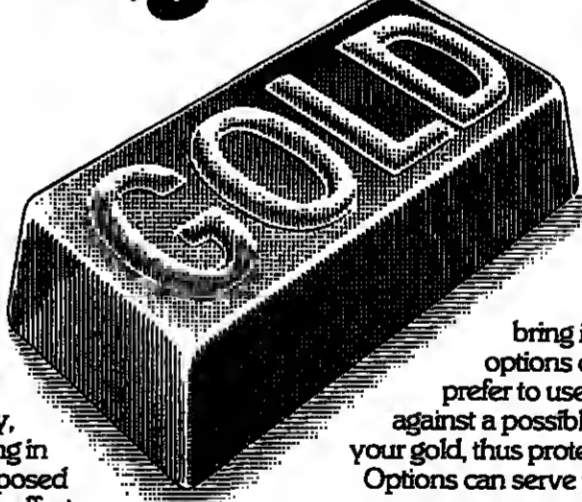
Odd-Lot Trading in N.Y.				
American Most Active				
Stock	Price	Chg.	Previous	Year Ago
Wheat	2.45	0.00	2.45	2.45
Corn	1.15	0.00	1.15	1.15
Soybeans	1.15	0.00	1.15	1.15
Gold	375.00	0.00	375.00	375.00
Silver	15.00	0.00	15.00	15.00

AMEX Index

European Gold Markets

AMEX Index				
European Gold Markets				
Index	Value	Chg.	Previous	Year Ago
Wheat	100.00	0.00	100.00	100.00
Corn	100.00	0.00	100.00	100.00
Soybeans	100.00	0.00	100.00	100.00
Gold	100.00	0.00	100.00	100.00
Silver	100.00	0.00	100.00	100.00

Invest your money in the brighter side of gold.



Are you thinking of investing in gold? You can just buy or sell the gold and wait until you think the price is right. Unfortunately, however, your investment does not bring in any interest. And, of course, you are exposed to unforseeable price fluctuations which affect your total investment.

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bring in an income? This is what options can do. Or would you prefer to use options as an insurance against a possible decline in the price of your gold, thus protecting your profit potential? Options can serve that goal.

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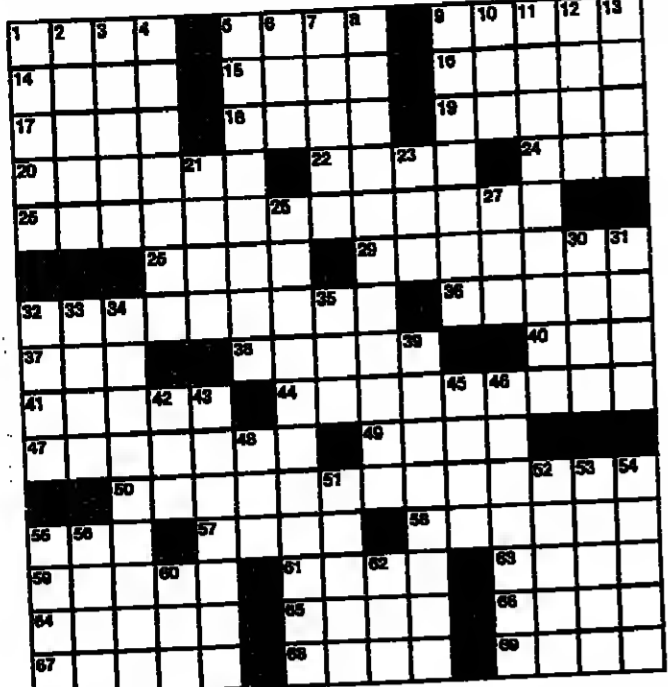


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Yes, please send me comprehensive information about the attractive opportunities offered by gold options.

CROSSWORD

By Eugene T. Maleska



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B. C.



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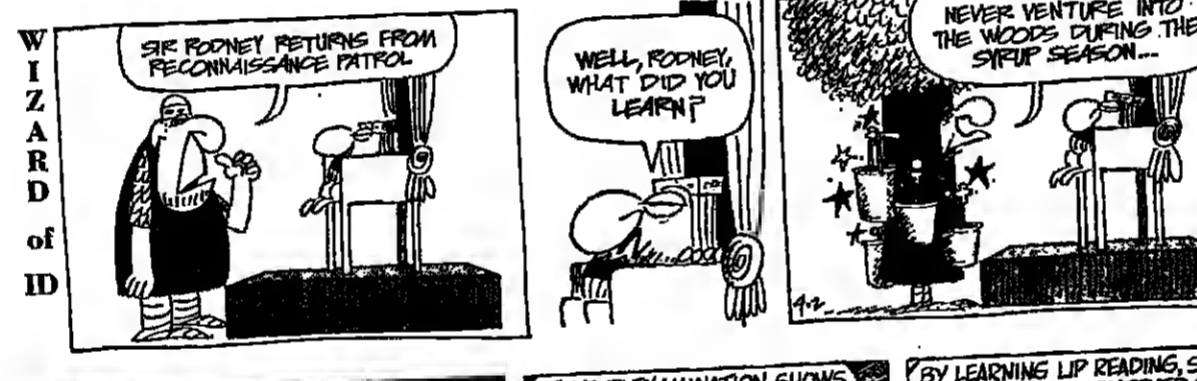
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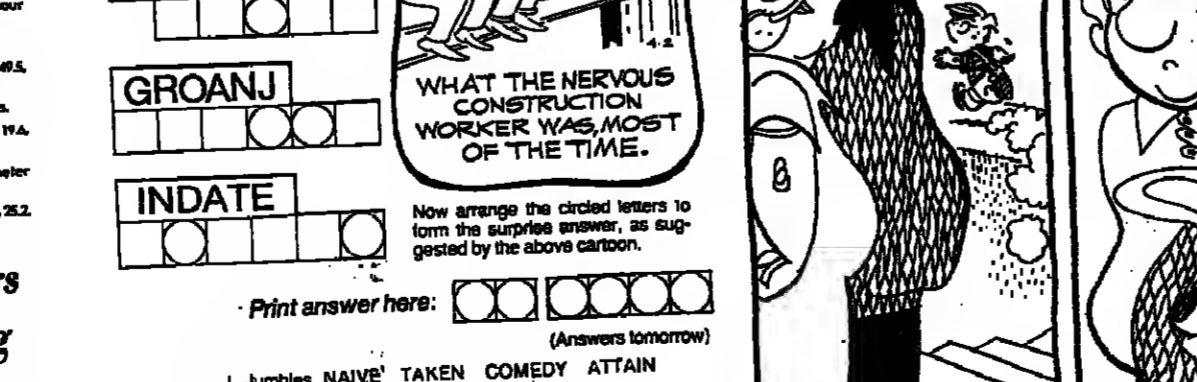
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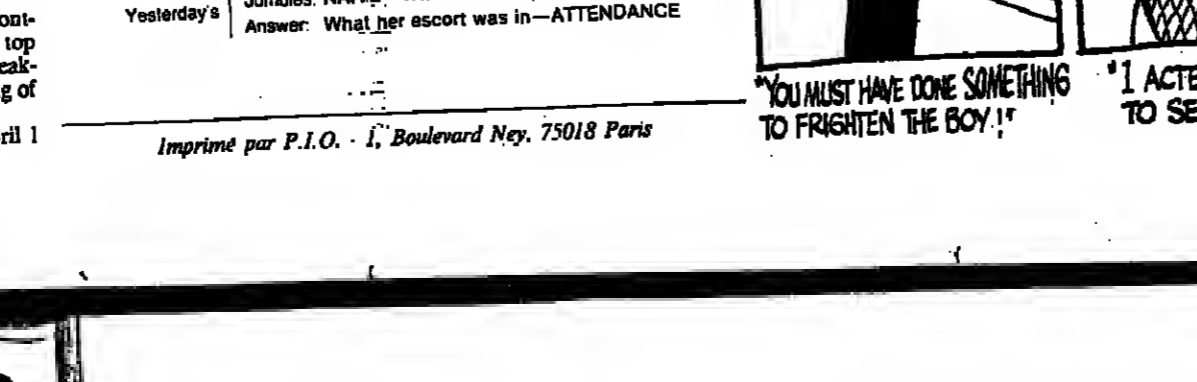
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VOICE OF AMERICA



IN APRIL EXCLUSIVE, GUARDIAN SAYS CHARLES WILL GET SUNNY WEDDING



BOOKS

BRICKS TO BABEL

A Selection From 50 Years of His Writings,
Chosen With New Commentary by the Author
By Arthur Koestler. Random House. 697 pp. \$20.

Reviewed by John Leonard

AFTER Hitler and Stalin; after Marx, Freud and Einstein; after Hungary, Austria, Palestine, Germany, Russia, France and England; after 50 books and who knows how many women, Arthur Koestler enters his 76th year. "Bricks to Babel" is a birthday cake from Random House, layer upon layer of words that madden. Those already familiar with Koestler's novels, essays and autobiography will be infuriated by all that is omitted. Those who are innocent of his extraordinary journalism will be mystified by ideas and characters wrenched from context. He quotes an annoyed Madame Pasteur: "Louis is now up to his neck in beet juice." Koestler leaves out his own beet juice.

He has only himself to blame. He did the editing. He also decided, at about age 30, to abandon politics; he would improve on Freud. This, the lopsidedness of this compilation, this account of a "pilgrim's regress," as he calls it. Less than half of "Bricks to Babel" is devoted to snippets from his fiction and swatches of "Arrow in the Night" and "The Invisible Writing." The rest is brain theory, astronomy, ethnology, parapsychology and mysticism.

Of the novels, we get too much of "The Gladiators," his indifferent first novel about Spartacus, and too little of "Darkness at Noon." "Thieves in the Night" and "Arrival and Departure." The wonderful "Triangle" parable from "Arrival and Departure" is quoted, but not Bernard's passionate vision of a Nazism that would make a central nervous system. We are permitted the Arab point of view in "Thieves in the Night," but denied the desert and the sea. A couple of pages from "The Age of Longing" — which he says is "the only one of my novels which I dislike," as if he has forgotten "The Call Girls" — is not enough to indicate how angry and witty it was about postwar France, Simone de Beauvoir, Heidegger, impermissibly, a key scene from one fiction with a paragraph or two or three from pertinent essays. The imagination dies.

Written on Bandages.

Together, "Arrow in the Night" and "The Invisible Writing" constitute one of the great 20th-century autobiographies. By definition, a 20th-century autobiography is written in haste, on bandages, and Koestler is not a threat to Rousseau or Herzen. But there is little of this lonely century that he didn't experience, from a Berlin Communist cell group that included Wilhelm Reich to death row behind the Franco line in civil war Spain. Nevertheless, the autobiography sinks under the ink splatters of so many pages of "The Act of Creation" and "The Ghost in the Machine."

It is as if Koestler, like Doris Lessing, could only become clean of our century by denying it entirely. When Lessing abandoned politics, she found Sufism. Koestler was less satisfied on his journey to the East, and trivialized Gandhi. More to his taste are subatomic atoms and "supergalactic spaces," extraneous perception and pharmacological salvation — a benign pharmacy that will reconcile the neocortex with the horse and the crocodile in our brains.

Never mind that the rubbing together of our various layers of brain probably accounts for "the act of creation" — our culture — that he describes so well and theorizes about so badly. On the one hand, he suggests that language and symbols account for our aggression and are "evolutionary blunders." On the other hand, he

makes fun of Zen teachers to communicate, in books, the malleable, which, of course, precisely what he seeks to communicate, in his books, with reference to numbers and the "syn of justice." "Wars," he tells us, "fought for territory, but for we Koestler is a brilliant journalist and it is in the nature of the quick fix of punch lines. He sought it in Freud. They didn't work. He sought it still, in Gestalt psychology and the very different sort of land to be found somewhere in the city of Duke University. He sought fix for the Jews: Chan religion. And a quick fix for a soothing enzyme. And a quick fix for death: Our elders and bet out there in the cosmic waste, in a theory of humor.

Any journalist would throw away the best piece to the idea, even if the idea died. We are always in with sarcasm, rude humor, a certain and a kind of feisty. We were right about everything, and we want to seriously.

I remember the Arthur who went to the North Pole in 1931, before joining the Communist Party. He walked in his sleep, but he was also willing to do the Central Asian production front. Somewhere the line he lost his air and humor. A journalist without humor needs an enzyme.

Please read the autobiography will meet someone you much to know once upon Now, if he comes to dinner bend spoons, and crocodiles in the best juice.

John Leonard is on the staff of the New York Times.

Tomb Complex Found in Crete

ATHENS — Greek archaeologists in southern Crete have unearthed a 4,500-year-old tomb complex containing gold and ivory sealstones, the Archaeological Service said Wednesday.

Irene Sakellari, an archaeologist at the Ministry of Culture, said the complex in the Odigitria area comprised two round vaults or "tholos," five small rooms, bones, a paved courtyard and surrounding stone wall.

The archaeologists found stones carved with animal and human figures, made from soapstone and glass paste. They also found four strips of gold, hundreds of necklace beads, vases, bronze tools and black obsidian, she said.

The tombs are thought to be used between 2,500 and 2,000 B.C. by an early Minoan community.

Record Price for a Munch

LONDON — An anonymous collector paid £700,000 (\$1.1 million) Wednesday for a painting by the Norwegian artist Edvard Munch, the highest price ever paid for a Munch painting, said a Munch painting.

BRIDGE

By Alan I

MOST players know they should not attempt a grand slam unless the odds are substantially in their favor. The percentage chance to make it is a borderline proposition varies between 55 percent and 69 percent, depending on such factors as vulnerability, denomination and type of scoring. But this assumes an uncontested auction. If you are considering bidding seven when the opponents have refused to allow you to play six, the calculations are quite different. You must take into account the vulnerability, the method of scoring, the state of your score, the freshness of the deal and, obviously, your prospects of making 13 tricks.

On the diagrammed deal, played in a duplicate game, South found himself the proud possessor of a nine-card suit, something one can expect once in about 10,000 deals. He began gently with one spade, and his opponents took advantage of favorable vulnerability to crowd the bidding with the heart suit.

At his second turn, South found that he was too late for Blackwood, and bid a confident six spades. He then had to make a decision when his

opponents rightly saved hearts.

This contract could have been bid and beaten by four. He felt that the save would be found at other tables, so he collected many match points. If North held both minor suits, the grand slam would almost certainly succeed. If he had one ace held the other, there was a faint chance West would not find it.

Added to which there was a logical angle: South could himself defend when he held nine-card suit. So he spades, and as he hoped, he found the right lead. He put king on the table and South counted 12 tricks. The diamond trick was a 13th.

After winning the heart suit, South held eight trumps in this position:

NORTH		WEST		EAST		SOUTH	
♠	AKJ	♥	Q	♠	AKJ	♥	Q
♦	AKJ	♦	Q	♦	Q	♦	Q
♣	AKJ	♣	Q	♣	Q	♣	Q

When the last trump was heart was thrown from the heart was helpless and the grand made. The defense would I-slight chance, however, if discarded differently.

He should have discarded clubs, hoping that South misread the position and fired aces. But an alert South after that West could hardly four hearts holding eight or minor suits.

NORTH		WEST		EAST		SOUTH	
♠	AKJ	♥	Q	♠	AKJ	♥	Q
♦	AKJ	♦	Q	♦	Q	♦	Q
♣	AKJ	♣	Q	♣	Q	♣	Q

North and South were vulnerable. The bidding:

	North	West	North	East	West	North	East
1♠	1♠	1♥	1♠	1♥	1♠	1♥	1♠
2♠	2♠	2♥	2♠	2♥	2♠	2♥	2♠
3♠	3♠	3♥	3♠	3♥	3♠	3♥	3♠

West led the heart king.

WEATHER

	HIGH	LOW		HIGH	LOW
ALABAMA	15	10	LOS ANGELES	15	10
ALASKA	15	10	MADRID	15	10
ARIZONA	15	10	MANILA	15	10
ARKANSAS	15	10	MEXICO CITY	15	10
CALIFORNIA	15	10	MIAMI	15	10
CANADA	15	10	MILAN	15	10
CENTRAL AMERICA	15	10	MONTREAL	15	10
CHINA	15	10	MOSCOW	15	10
COLOMBIA	15	10	MUNICH	15	10
COSTA RICA	15	10	NASSAU	15	10
CUBA	15	10	NEW DELHI	15	10
CZECHOSLOVAKIA	15	10	NEW YORK	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	NICE	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	OSLO	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	PARIS	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	PEKING	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	PRAGUE	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	RIO DE JANEIRO	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	ROME	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	SAO PAULO	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	SEOUL	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	SINGAPORE	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	STOCKHOLM	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	SYDNEY	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	TAIPEI	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	TEHRAN	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10	TELAVIV	15	10
DEMOCRATIC REPUBLIC OF THE CONGO	15	10			

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Art Buchwald

The Nameless Ones

WASHINGTON — Anyone in the public eye, whether it be a movie star, a television personality, a politician, or even a columnist, has a better idea than most people of what happened in front of the Washington Hilton Monday afternoon.

Somewhere out in this country are sick people, who, though complete strangers, harbor bitter grievances against well-known individuals who have never done them any harm. But for some reason, they have decided that a particular person is responsible for their pain.

The mail arrives and among the letters are the anonymous scrawls of anger and hate. The scrawls can be threatening, or they can make no sense at all. You tend to laugh them off, because you don't want to admit to yourself that somebody out there has chosen you as the target for their discontent.

The letters are either thrown into the wastebasket, or placed in the increasingly large "out file" that you've built up over the years. Sometimes the mail continues for months and even years.

Other times one letter is sufficient to relieve the person of whatever is bothering him.

The hate and the anger and the frustration are not only transmitted through the mail, but also over the telephone. The stranger tells you what you have allegedly done

to him, and asks you what you are going to do about it.

The trick is to talk calmly and assure him that whatever his grievance is, you will look into it. You try to persuade him that you are not responsible for whatever is hurting him, and you end the conversation as quietly and gently as you possibly can.

Fortunately, very few people act out their fantasies of "getting even" with the person they have chosen as the one who is tormenting them.

But every once in a while someone decides he or she must take action.

The most obvious person in this country to take action against is the president of the United States. It doesn't matter what party the president belongs to, or what his political philosophy is.

The stranger has decided to have his day in the sun.

The problem of obtaining a gun to carry out the fantasy is no problem. In almost any state you can buy a weapon. You can get one for as little as \$20 or one for \$200, and in many places you can buy a gun with no questions asked.

Stalking a president is also no problem in a country where presidents mingle with the people. The opportunity to fire the gun is a matter of luck and daring. No Secret Service or umbrella of police personnel can protect a person from the stranger who is intent on shooting someone.

And sometimes the deed is carried out, as it was Monday, when a smiling crowd on the streets of the capital of the United States.

But presidents are not the only targets for the sick people who walk the land. The victims can be John Lennon or a little black child in Atlanta.

And every time it happens, the American people rise up in anger and say "What can we do?"

Stop the sale of handguns? It might be a good beginning, but the gun lobby will never let it happen. Lock up every sick person in the country? It can't, and shouldn't be done.

The truth of the matter is that there is very little that can be done. The brooding stranger, who dreams of taking his revenge, is always amongst us. But until the gun is fired, nobody knows his name.

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Single Bus Fare Set For London Suburbs

The Associated Press

LONDON — Starting April 5, London suburb dwellers will no longer have to cope with an array of different bus fares. London Transport is introducing a single fare of 25 pence (about 55 cents). The new system applies, however, only to routes operating roughly five miles outside the city center. In the core of the city where most tourists congregate, bus fares will still range in steps from 12 pence (27 cents) to 70 pence (\$1.58), depending on the distance traveled. If the suburban plan works, flat fares may be extended to central London, the spokesman said.



Robert Redford presents special honorary award to Henry Fonda; Sissy Spacek clutches best-actress statue; Robert De Niro waves best-actor trophy.

Redford's 'Ordinary People' Wins 4 Oscars

Sissy Spacek, Robert De Niro Capture Top Acting Honors

HOLLYWOOD — An address from President Reagan, taped before he was wounded, opened the 53rd annual Academy Awards ceremony to five rounds of applause for his speech. Top honors in the awards went to "Ordinary People" as the best picture of 1980 and to Henry Fonda, who received an honorary Oscar for his 46-year career.

"Ordinary People," the story of a middle-class couple and their suicidal teenage son, was the top award winner in Tuesday night's program, watched by an estimated 300 million television viewers in 66 countries, bringing in four of the gold statuettes. Actress Lillian Gish, 84, came out of retirement to present the best picture trophy.

The picture also won awards for best director, Robert Redford; best supporting actor, Timothy Hutton, son of the late actor Jim Hutton; and best screenplay based on material from another medium for Alvin Sargent.

"Ordinary People" was Redford's first directing effort and the 20-year-old Hutton's first movie role.

Robert De Niro won the best actor award for his devastating performance as boxer Jake LaMotta in "Raging Bull." De Niro previously had been nominated for best actor for his roles in "Taxi Driver" in 1976 and in "The Deer Hunter" in 1978. He was named best supporting actor in 1974 for his part in "The Godfather Part II."

Sissy Spacek won the best-actress award for her portrayal of singer Loretta Lynn in "Coal Miner's Daughter." Miss Spacek had been nominated for the same award in 1976 for "Carrie."

Mary Steenburgen was chosen best supporting actress for her role as the feisty wife in "Melvin and Howard."

Although the gala event was delayed for 24 hours because of the shooting of President Reagan in Washington Monday, the mood of the evening was light and the cooperating president was even the target of some of the evening's good-natured one-liners.

"I salute the academy for the influence its work has had on the world's most enduring art form. Film is forever," the president said, setting the theme of the program, "Film Forever," in his brief remarks.

Carson, in white tie and tails, told the audience at the Los Angeles Music Center, "It was the president's express wish that we use that introduction. He asked for a television set in his room so he could view that introduction tonight."

A highlight of the night was presentation of a special Oscar to Fonda, honoring a half-century of "brilliant accomplishments and enduring contribution to the art of motion pictures."

Redford, who usually shuns the awards ceremonies, presented the award to Fonda, who walked to the stage with aid of a cane as the orchestra played "Red River Valley," the theme song from one of his most famous movies.

"It's been a very rewarding 46 years for me and this has got to be the climax," said Fonda, 76, who had never won an Oscar. "I'm very proud and very grateful to the governors of the academy."

Other winners: FOREIGN LANGUAGE FILM — "Moscow Does Not Believe in Tears," Mosfilm Studio Production (U.S.S.R.).

ORIGINAL SONG — "Fame," from "Fame," Music: Michael Gore; Lyrics: Dean Pitchford.

ORIGINAL SCORE — "Fame," Score: Michael Gore.

ORIGINAL SCREENPLAY — "Melvin and Howard," Screenplay: Bo Goldman.

CINEMATOGRAHY — "Taxi," Cinematographer: Geoffrey Unsworth and Glynis Chapman.

ART DIRECTION — "Taxi," Art Director: Pierre Guffroy, Jack Stephens.

COSTUME DESIGN — "Taxi," Costume Designer: Anthony Powell.

EDITING — "Raging Bull," Editor: Thelma Schoonmaker.

SOUND — "The Empire Strikes Back," Sound: Bill Varney, Steve Maslow, Gregg Landaker, Peter Sutton.

DOCUMENTARY FEATURE — "From Mao to Mozart: Isaac Stern in China," The Hopwood Foundation, Murray Lennox, producer.

DOCUMENTARY SHORT — "Karl Marx: Toward Liberty," Halle-Ladue Inc., Roland Halle, Peter W. Ladue, producers.

ANIMATED SHORT — "The Fly," Pantheon Film, Rudolph, Francis Rodman, producer.

DRAMATIC SPECIAL EFFECTS — "The Dillinger," Rocking Horse Films Ltd., Lloyd Phillips, producer.

TECHNICAL ACHIEVEMENT — Acme-Dunn Optical Printer.

SPECIAL ACHIEVEMENT, VISUAL EFFECTS — "The Empire Strikes Back."

PEOPLE:

Spine Surgery Slay For Richard Burton

Actor Richard Burton will undergo neurosurgery within 10 days to relieve severe spinal pain, he said. "The doctors sent him to recover from the vestiges of severe viral infection," V. Douglas said. "They don't want any of that floating around their spine, and they would be more comfortable with him better at home."

Burton, admitted to a Santa Monica hospital last Friday, Douglas said 55-year-old Burton will continue to take painkillers "because the pain is quite severe," but declined to discuss the nature of the viral infection, except to say it had resulted in Burton contracting tracheal bronchitis. At times pain has been so bad that Burton — in his role as King Arthur, "Camelot" — was unable to hold sword and had to knight others with his left hand. Burton's last performance in the play "Camelot" was more than 10 months before the play was scheduled to end its run.

Beautiful blonde Sigrid G. Williams is married to the world animal trainer — and afraid of animals. "I wouldn't walk over to that llama alone," said at Madison Square Garden where her husband, Gemberel-Williams, performs with Ringling Bros. and Barnum & Bailey Circus. She says she can only walk with little animals.

raised 12 tigers, 12 cougars, 12 leopards, one giraffe, two kids, one miniature poodle. "I'm training one husband," Son B. 10, somewhat to her distress, is to be an animal trainer like dad.

Banjo picker Roy Clark and manager, Jim Halsey, have decided to become adoptive parents. Clark and Halsey adopted a 6-year-old boy, the wild child, from the Grand Canyon where the National Park Service planned to destroy them because they were upsetting the area's cat ecology. Cleveland, Ohio, who heads the Fund For Animals, organized a helicopter airlift, nearly 6000 burros out of the Grand Canyon. Some are being adopted, others are being sold to help for the rescue operation.

—SAMUEL JUST

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